Supreme Court, U.S.
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In The

Supreme Court of the United States

October Term, 1995

AKHTAR HAMID, SHRICHAND CHAWLA, SOHA, INC., IDRISS DEVCO, INC., S&L GENTRADE, INC., LEO D. CURRAN, NIAM MUSLEH, WILLY HERMANS, RED CIRCLE INVESTMENTS, LTD., SADIK MAHMOUD HASHIM, NUHA HUSSAIN MUBAREK, JALEH KHORASSANCHY, PHILIP MERZ and AMIT PANDYA, On Behalf Of Themselves and All Others Similarly Situated,

Petitioners,

vs.

PRICE WATERHOUSE; PRICE WATERHOUSE/U.K.; PRICE WATERHOUSE WORLD FIRM, LTD.; PRICE WATERHOUSE/U.S.; ERNST & YOUNG; ABU DHABI, EMIRATE OF ABU DHABI; ABU DHABI INVESTMENT AUTHORITY; BANK OF AMERICA CORPORATION; BANKAMERICA CORP.; BANK OF AMERICA NT&SA; HILL & KNOWLTON; GRP INVESTMENTS; INTERREDEC, INC.; INTERREDEC SOUTHERN CO.; FIRST AMERICAN CORP.; FIRST AMERICAN BANKSHARES; PAUL ADAMS; JACK BEDDOW; A. VINCENT SCOFFONE; T. BERTRAM LANCE; INDEPENDENCE BANK; MANUEL NORIEGA; FULVIO DOBRICH; ROBERT ALTMAN, CLARK CLIFFORD and CLIFFORD & WARNKE,

Respondents.

Petition For Writ Of Certiorari
To The Ninth Circuit Court Of Appeals

APPENDIX TO PETITION FOR WRIT OF CERTIORARI VOLUME II (PAGES A-63 TO A-338)

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

AKHTAR HAMID, SHRICHAND CHAWLA, SOHA, INC., IDRISS DEVCO, INC., S & L GENTRADE, INC., LEO D. CURRAN, NIAM MUSLEH, WILLY HERMANS, RED CIRCLE INVESTMENTS, LTD., SADIK MAHMOUD HASHIM, NUHA HUSSAIN MUBAREK, JALEH KHORASSANCHY, PHILIP MERZ, and AMIT PANDYA, On Behalf of Themselves and All Others Similarly Situated,

Plaintiffs,

vs.

PRICE WATERHOUSE, PRICE WATERHOUSE/US, PRICE WATERHOUSE/UK, PRICE WATERHOUSE/LUXEMBOURG, ANDREW NOLAN, MARTIN F. BAUMANN, CHRISTOPHER COWAN, ROBERT R. BENCH, ERNST & YOUNG (Successor to ERNST & WHINNEY), ERNST & YOUNG/US, ERNST & YOUNG/ UK, ERNST & YOUNG/ LUXEMBOURG, ABU DHABI, ABU DHABI FINANCE COMPANY a/k/a ABU DHABI INVESTMENT AUTHORITY, SHEIKH ZAYED AL-NAHAYAN, GHAITH PHARAON, (CONCORDE FINANCE & INVESTMENTS, PHARAON

Civil No.91-4483-CBM(Ex)

CLASS ACTION

THIRD AMENDED COMPLAINT FOR VIOLATIONS OF THE RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT, INTERNATIONAL FINANCIAL AND BANKING CORRUPTION AND OUTLAWING

Plaintiffs Demand A *Trial By Jury*

HOLDINGS, LTD., GRP)
INVESTMENTS N.V., GRP. INC.,)
NBG FINANCIAL CORPORATION,)
INTERREDEC INC., INTERREDEC)
SOUTHERN CO. INC.,)
INTERREDEC (GEORGIA))
LIMITED, INTERREDEC)
(GEORGIA) N.V., WESLEY CO.,)
INC., RIVER OAKS, INC., RIVER)
OAKS INVESTMENTS, INC.,)
STERLING BLUFF, INC., SHEIKH)
KAMAL ADHAM, ABDUL R.)
KHALIL, SAYED JAWHARY,)
FAISAL SAUD AL-FULAIJ, AGHA)
HASAN ABEDI, SWALEH NAQVI,)
ZAFAR IQBAL, AMJAD B. AWAN,)
GHANIM FARIS AL-MAZRUI,)
DILDAR RIZZI, SYED ZIAUDDIN)
ALI AKBAR, SANI AHMAD,)
CAPCOM FINANCIAL SERVICES,)
INC. (LTD.), MANUEL NORIEGA,)
YVES C. LAMARCHE, J.D. VAN)
OENEN, P.C. TWITCHIN, ALFRED)
HARTMANN, SAAD. M. SHAFI,)
FIRST AMERICAN CORP., FIRST)
AMERICAN BANKSHARES, INC.,)
CLARK CLIFFORD, ROBERT)
ALTMAN, A. VINCENT)
SCOFFONE, JACK BEDDOW,)
PAUL G. ADAMS III, CLIFFORD)
& WARNKE, PAUL C. WARNKE,)
JOHN F. KOVIN, DAVID I.)
GRANGER, HAROLD D. MURRY,)
JR., JOHN G. CALENDER, J.)
GRIFFIN LESHER, BRYAN JAY)
YOLLES, ROBERT P. REZNICK,)

PHILIP H. HECHT, JAMES C. DUFF, T. BERTRAM LANCE, DAVID L. PAUL, INDEPENDENCE BANK, FULVIO DOBRICH, KEMAL SHOAIB, MICHAEL GOLAND, BANKAMERICA CORP., BANK OF AMERICA NT&SA, HILL AND KNOWLTON, INC., ROBERT MAGNESS and LAWRENCE ROMRELL,

Defendants.

Plaintiffs Akhtar Hamid, Shrichand Chawla, Soha, Inc., Idriss Devco, Inc., S & L Gentrade, Inc., Leo D. Curran, Niam Musleh, Willy Hermans, Red Circle Investment, Ltd., Sadik Mahmoud Hashim, Nuha Hussain Mubarek, Jaleh Khorassanchy, Philip Merz and Amit Pandya, by their counsel, allege upon information and belief based, *inter alia*, upon the investigation of their counsel, except for the allegations relating to the named plaintiffs and their counsel, which are alleged upon knowledge, as follows:

I. SUMMARY OF COMPLAINT

1. (a) This is a class action brought pursuant to Fed. R. Civ. P. 23 on behalf of the depositors in the constellation of banks known as Bank of Credit & Commerce International ("BCCI"), as defined in ¶19 hereof, who lost billions in July, 1991, when BCCI was seized and shut down by banking authorities in the United States and several other countries, victims of the operation of the

largest international criminal enterprise in history. This action seeks to remedy violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1961-1968, and the laws of nations and treaties of the United States. In connection with a pattern of racketeering activity, piracy and international outlawing described herein, BCCI and its wholly-owned or controlled entities in several countries, including the United States (the "BCCI Banks" or the "BCCI Group"), conspiring with and aided and abetted by the other defendants, operated a vast criminal enterprise – an international banking operation with 400 branches in over 70 countries, the fifth largest private bank in the world with over 1.0 million depositors, in gross violation of the laws of nations, including those of the United States, specifically RICO. This action is not brought on behalf of or for the benefit of BCCI seeking to recover any damages on its behalf, assert any causes of action belonging to it or to remedy any losses suffered by it; rather, it is brought on behalf of BCCI depositors directly for the damages they suffered due to the operation of BCCI as a criminal enterprise and defendants' misconduct which was aimed at them as depositors, thus it asserts causes of action belonging to them and which can only be asserted by them. The damages and injuries suffered by plaintiffs and the members of the class due to defendants' misconduct which was aimed at them as depositors, are separate and distinct from any damages or injuries suffered by BCCI and were not suffered as incidental to any injury suffered by BCCI but, rather, resulted from breaches of duty directly owed to plaintiffs and the members of the class and constitute

direct and special injury suffered by them. Each defendant owed a special duty to the plaintiffs and the members of the class separate and apart from whatever duties they may have owed BCCI, the violation of which directly caused members of the plaintiff class injury (*i.e.*, loss of deposits) in violation of 18 U.S.C. § 1962. Each defendant knew that BCCI accepted deposits from members of the public and knew that if BCCI operated in violation of law and/or insiders at BCCI misused or diverted deposits, BCCI could be seized or shut down and depositors would be harmed. Each defendant knew that BCCI was, in fact, operating in violation of law and that BCCI insiders were misusing and/or diverting deposits; and that defendants' active engagement in the conspiracy and/or aiding and abetting BCCI's illegal conduct provided important assistance to the operation of its ongoing criminal enterprise which would directly injure its depositors. Each defendant also knew that BCCI was operating illegally in the United States, that it was structured in a fashion to avoid any overall regulation by a single central bank, and that BCCI's depositors were protected by little, if any, government deposit insurance; thus, any failure or seizure of the Bank would result in significant harm to virtually all of the depositors. Each defendant also owed BCCI's depositors a special duty because, due to his/its relationship to BCCI and, as a result, he/it was in a position to protect the depositors and prevent the losses they have suffered. In addition, each defendant owed a special duty to BCCI's depositors not to conspire with or aid and abet the BCCI criminal enterprise to harm BCCI's depositors.

(b) BCCI, which was formed in 1972, and the BCCI Banks financed international terrorists, drug

dealers and arms merchants, as well as the illegal export to Iraq, Iran and Pakistan of nuclear weapons material, laundered monies from illegal narcotics and other transactions, bribed government officials and other individuals, made huge unauthorized, illegal or improper transfers of depositors' funds in the BCCI Banks to insiders, their friends and business associates, assisted notorious dictators in looting their nations' treasuries, secretly and illegally infiltrated the United States banking system, misrepresented their financial condition and methods of operation in audited and other financial statements to overstate their assets and profits and understate and/or conceal their losses and the criminal nature of their operations, while obtaining billions in deposits from customers, including many residents of the United States and United States citizens in this country and abroad. BCCI was a vast, stateless, multi-national criminal enterprise that operated its own intelligence agency and had an enforcement section known as the "Black Network" and a "Special Duties" Department whose job it was to continually create false documentation to conceal the illegal acts BCCI was pursuing.

(c) The BCCI criminal enterprise and conspiracy complained of herein had a direct and substantial impact on the interstate and foreign commerce of the United States and a substantial portion of the wrongdoing involving the BCCI Banks occurred in the United States, where BCCI (i) solicited and obtained millions in deposits from U.S. citizens and non-U.S. citizens through offices in several cities, including, *inter alia*, Los Angeles, San Francisco and Beverly Hills, California; Miami, Boca

Raton and Tampa, Florida; Houston, Texas; Chicago, Illinois; New York City, New York; and Washington, D.C., not counting the United States-located banks BCCI illegally controlled; (ii) made loans exceeding $250 million in the United States, had assets here exceeding $810 million and obtained revenues here, in 1989 alone, of over $81 million and deposited over $60 million with banking regulators in California, New York and Florida; (iii) utilized at least Bank of America as a "correspondent bank" with respect to transactions exceeding in the aggregate $175 million at the time BCCI was seized; and (iv) illegally infiltrated the United States banking system by secretly obtaining control of First American Bankshares of Washington, D.C. (a large bank holding company, which operated banks with over 400 branches in Maryland, Virginia, Tennessee, New York, Georgia and Florida), the National Bank of Georgia in Georgia (the largest bank in Georgia), CenTrust Savings Bank in Florida (which controlled some 20 branches), the Independence Bank in Encino, California (which had 11 branches), and the Viking Savings & Loan in Santa Monica, California, and then used their secret and illegal control of those banks to further the interests of BCCI and its insiders in the United States and elsewhere by, inter alia, wasting and/or diverting their assets and resources.

2. In July, 1991, at the insistence of U.S. banking regulators, government officials located in, *inter alia*, the United States, Great Britain, Luxembourg and the Cayman Islands, seized BCCI and certain of its subsidiaries after discovering that the BCCI Banks had been operating a criminal enterprise for many years, illegally infiltrating

the U.S. banking system, falsifying their financial condition, engaging in undisclosed insider "lending" transactions, funneling bank funds to insiders and their business associates, financing illegal drug and arms transactions and laundering drug money and, due to these activities and a complete lack of proper banking practices and the internal controls necessary to safeguard the assets of banks (including depositors' funds), had made billions of dollars in uncollectible "loans." Shortly thereafter, the BCCI Banks and certain of their top officers and directors were indicted on 12 criminal counts, including larceny and money laundering, in New York for their conduct in operating the BCCI criminal enterprise in the United States. (A copy of the indictment is attached hereto as Exhibit 8 and is expressly incorporated herein by reference.)[1] In July, 1991, the Federal Reserve Board ("FRB") announced it would bar four defendants – Ghaith Pharaon, Agha Hasan Abedi, Kemal Shoaib and Swaleh Naqvi (who had been closely involved with BCCI for years) – from ever again engaging in any banking activities in the United States due to, *inter alia*, their illegal conduct in arranging for BCCI to secretly obtain illegal control of the Independence Bank in Encino, California. In late July, 1991, the FRB announced it would fine BCCI $200 million for lying to United States officials to conceal BCCI's scheme to illegally infiltrate the American banking system by secretly obtaining control of First American Bankshares ("First American"), the largest bank in our nation's capital, National Bank of Georgia ("NBG"), the

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[1] Appendices containing Exhibits 1-42 to this Third Amended Complaint are concurrently filed herewith.

largest bank in Georgia, CenTrust Savings Bank ("CenTrust"), which had some 20 branches in Florida and Independence Bank of Encino, California ("Independence Bank"). *See* Exhibits 20 and 21. In early September, 1991, BCCI was identified as a "criminal enterprise" by the United States when it indicted BCCI's treasurers during 1980-1991 (defendants Akbar and Rizzi) for allowing BCCI's United States operations to illegally launder over $14 million in the proceeds from the illegal smuggling of narcotics into the United States. *See* Exhibit 7. On November 1, 1991, the United States indicted BCCI and several of its top officers for defrauding the government and obtaining money by fraud arising out of BCCI's illegal acquisition of control of First American, CenTrust and Independence Bank. *See* Exhibit 10.

3. (a) BCCI was founded in 1972 by Agha Hasan Abedi, Swaleh Naqvi, Sheikh Zayed bin Sultan al-Nahayan (the ruler of Abu Dhabi), operating through Abu Dhabi Finance Department a/k/a Abu Dhabi Investment Authority ("Abu Dhabi Investment/Finance"), and BankAmerica Corporation. BCCI was created via illegal conduct as Abedi generated some $2 million of the initial capital utilized tc start BCCI by making loans in that amount to associates of his from another bank he controlled, and then writing those loans off as uncollectible. BCCI quickly expanded to include operations in some 70 countries around the world. One BCCI-controlled enterprise, International Credit and Investment Company, a Cayman-based bank, was used to conceal BCCI Group liabilities, facilitate phony transactions and transfers and create false assets for the BCCI Group. Another BCCI-

controlled enterprise, International Credit and Investment Company Holdings, was used to conceal stolen money. Credit and Commerce American Holdings and Credit and Commerce American Investment and certain nominees (strawmen) were used to illegally infiltrate the United States banking industry.

(b) Defendants advanced their fraud by establishing separate entities in a number of different countries, such as the Cayman Islands and Luxembourg, which have laws against the transfer of banking information and lax banking regulations and supervision and by refusing for many years to permit a single outside auditor to audit all of BCCI's acknowledged subsidiaries or to review many of their key records. This was done in order to avoid comprehensive regulation of the BCCI Group on a consolidated basis by a single governmental supervisor or any effective overall independent audit of its operations. This conduct, as well as BCCI's concealment of its actual ownership and/or control of several banks in the United States, also enabled BCCI to evade governmental supervision by regulatory authorities and to make transfers of assets within the BCCI Group so as to benefit and enrich BCCI insiders, their friends and business associates and to conceal its true financial position and nature of its illegal operations. By 1981, with the assistance of defendants Clark M. Clifford, Robert Altman, and their law firm, Clifford & Warnke, Bert Lance, as well as Bank of America, BCCI had also infiltrated the United States banking system and would ultimately secretly and illegally control five large banks or savings and loans with hundreds of branches in several states, including California, giving them the ability to use the assets and influence

of these banks to funnel monies to associates of the BCCI Banks and their insiders, to make huge and often illegal political contributions and sweetheart loans to influential American political figures and other associates of BCCI's insiders and to increase BCCI's influence in the United States. The chart set forth on the following page shows how BCCI was organized and controlled and secretly and illegally infiltrated the United States banking system.

4. Certain defendants brought in the ruling families of Middle Eastern states and other purportedly wealthy businessmen as "nominal shareholders" of the BCCI Group in order to create a false impression that individuals of huge wealth were involved with the BCCI Banks, concealing that there were secret agreements that protected those people from any losses. These nominees included Ghaith Pharaon, Sheikh Kamal Adham, Sayed Jawhary and Faisal Saud al-Fulaij, who all conspired with and assisted BCCI by allowing it to trade on their reputations in return for over $45 million in secret payments from BCCI, while defendants filed false statements with the United States and other banking authorities about who owned BCCI. These four nominees allowed BCCI to represent that they had been loaned money by BCCI, when, in fact, there was no obligation to repay the advances. This scheme enabled BCCI to create false assets and gave the impression that the wealthy figures were economically involved with BCCI. The false assertions of ownership also misled people into believing that the wealthy people were shareholders in BCCI, had their capital at risk and that they would stand behind it financially if it got into trouble.

5. The defendants also paid bribes and made kickbacks to other banks and financial institutions and, by virtue of those practices, defendants avoided scrutiny by other banking and financial institutions of the capital structure and financial viability of the BCCI Group. In 1986 and 1987, BCCI paid $3 million in bribes to the two senior officers of the Central Reserve Bank of Peru through a special Swiss bank account located in Panama in order to obtain deposits and a banking relationship with Peru. Later, BCCI paid the former manager of BCCI investment activities in London (Syed Ziauddin Ali Akbar) a $30+ million bribe to keep him from disclosing the details of BCCI's criminal conduct to authorities. BCCI also made payoffs of over $3 million to Zulyikar Ali Bhutto, who was then Premier of Pakistan, paid large bribes to the governor of the state of Pakistan, where ringleader Abedi now lives, so that he will prevent Abedi's extradition to the United States and Bank of America hired Ijaz, the son of General Zia of Pakistan. First American Bank and its subsidiaries and the other banks secretly and illegally controlled by BCCI also made many large and very generous loans to political figures in the United States in order to secure their cooperation and help, while CenTrust Savings Bank, its Political Action Committee ("PAC"), and its top officers and others controlled by them made huge (over $300,000) and often illegal political contributions, while Viking Bank made huge and illegal political contributions in the United States to increase the political influence of the BCCI Banks.

6. The BCCI Banks carried out their pattern of racketeering activity by filing false statements (including

financial statements) with United States and other banking authorities and correspondent banks with which it was doing business. These statements contained false and fraudulent representations materially overstating and falsifying the capital and net worth of the BCCI Group members, as well as the ability of these institutions to repay their depositors. From 1973 through 1987, BCCI, with the help of its outside accountants, consistently falsely reported profits. The BCCI Banks operated virtually without any internal accounting, financial, or lending controls and, as a result, billions in bank deposits were simply siphoned off to BCCI insiders and their associates, often in the form of bogus loans which were never intended to be paid or false or unnecessary commodity or financial instrument trading activities through, *inter alia,* Capcom Financial Services, Inc. (Ltd.) located here in the United States. Fake deposits and loans were constantly recorded to inflate the apparent financial condition of the BCCI Banks and funds were often double-counted and/or booked in deceptive ways involving over 7,000 false/bogus accounts. In fact, by the late 1980's, BCCI had a full-time department called the "Special Duties Department," which did nothing more than falsify records of deposits, loans, loan servicing, monetary transfers, trading activities and the like to conceal the BCCI Banks' true financial condition and criminal activities.

7. Similarly, CenTrust also operated with grossly inadequate lending and accounting controls and in defiance of federal regulators while millions of depositors' funds were looted and/or wasted to pay for lavish perks and personal lifestyles of CenTrust insiders and via uncollectible loans to further the overall objectives of the

BCCI Group prior to CenTrust's seizure by the United States banking authorities at a cost to the American taxpayers of over $2 billion. Independence Bank also operated with inadequate lending and account controls, misusing its assets to further the overall objectives of the BCCI Banks, while Viking Savings became insolvent due to the waste and misuse of its assets to make illegal political contributions to United States politicians.

8. (a) The wrongdoing of the BCCI Banks could not have been accomplished without the active and knowing assistance of certain banks, professionals and other individuals and others who conspired with and/or aided and abetted the BCCI Banks and its top officials to perpetrate the pattern of racketeering activity complained of herein. BankAmerica was a founder of BCCI in 1972 and ultimately controlled 30% of BCCI's stock, had representation on its Board of Directors for many years through its agent and officer, Alvin C. Rice, allowed or encouraged one of its employees (Roy P.M. Carlson), who had for years overseen its investment in BCCI, to become CEO of NBG when BCCI illegally obtained control of that bank and over the years provided top executive talent to BCCI from its own ranks. In 1976, BankAmerica caused its employee, Robert Frick, to become chief administrative officer of BCCI, a job he performed in part from an office at BankAmerica. Yves Lamarche, J.D. van Oenen and P.C. Twitchin all left BankAmerica in the 1970's to join BCCI as top executives and become members of BCCI's Board of Directors. While in these positions, these Bank of America executives acted to represent Bank of America and protect its interests and reported to BCCI frequently. In the late 1970's, Bank of America imposed rigorous

controls over BCCI's operations, which controls were implemented and overseen by its representatives inside BCCI. By 1989-1990, Bank of America had provided three of the seven directors of BCCI Holdings, S.A., the top parent holding company in the BCCI Group, in the person of Lamarche, van Oenen and Twitchin, and, even after it purportedly "sold" its interest in BCCI in 1978-80 in a non-arm's length transaction to an affiliate of BCCI, which "sale" it financed and nonetheless improperly recognized a profit of some $27 million on its investment of less than $5 million in just six years, knowing that BCCI was going to continue to expand its illegal operations in the United States, it continued to assist BCCI with currency transfers, deposits and other services that facilitated its (and certain of the other defendants') illegal conduct, including guaranteeing BCCI letters of credit for large fees, helping Pharaon conceal that BCCI, and not Pharaon, actually owned and/or controlled Independence Bank, in addition to helping persons, including members of the class, in the United States deposit funds in BCCI, thus circumventing rules that prohibited BCCI from accepting deposits from U.S. citizens here.

(b) Bert Lance assisted BCCI to illegally obtain control of NBG by selling his stock in that bank to BCCI (via Ghaith Pharaon) at a hugh premium and, in return for lucrative "consulting" payments with BCCI and other secret financial assistance from them. Lance then assisted BCCI in obtaining illegal control of First American Bank by helping to organize an illegal "group" of purportedly independent investors who ultimately purchased some 20% of the stock of First American Bankshares.

(c) Ernst & Young (then Ernst & Whinney) and Price Waterhouse, two worldwide accounting firm partnerships, and certain constituent units of which (*i.e.*, Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/Luxembourg and Ernst & Young/US, Ernst & Young/UK and Ernst & Young/Luxembourg) are also named as defendants are auditors which have a long history of helping their clients falsify their financial condition and conceal relevant information from regulators. They were auditors for various of the BCCI Banks during the relevant time period, knew that the BCCI Banks were operating in violation of all concepts of good banking practices and without any adequate controls or management systems, had made huge amounts of concealed, bad or false loans, were engaged in the illegal activities detailed herein and were issuing false financial statements to the public and banking regulators, yet they assisted the BCCI Banks to avoid regulatory seizure that would otherwise have occurred many years earlier, in part, by giving false certifications that their financial statements were "true and fair," when, in fact, they were neither.

(d) Defendants Clark M. Clifford and Robert Altman (partners in the law firm of Clifford & Warnke) were lawyers who made millions of dollars representing BCCI and its associates in the United States for years, caused First American to pay their firm millions in fees, even though they were top officers and directors of First American and partners in their law firm at the same time, and also got a guaranteed gross profit of over $22 million in transactions in First American Bank stock where BCCI loaned them the money to buy the stock and guaranteed

them the profit and millions more for representing the banks BCCI illegally controlled and operated in the United States. With knowledge of the BCCI Banks' illegal activities, Clifford and Altman assisted them in deceiving United States regulators in order to permit them to illegally infiltrate the United States banking system and arranged for loans to important political figures and to later cover up BCCI's illegal activity by, *inter alia*, obstructing justice by providing false information and/or testimony to investigatory agencies, as well as advising one or more witnesses to leave the United States to avoid being subpoenaed by investigating bodies or law enforcement agencies. For instance, BCCI made and later forgave a $150,000 loan to an individual who was the mayor of Atlanta, Georgia, and later the United States Ambassador to the United Nations.

(e) By successfully and secretly infiltrating the United States banking system, BCCI was able to control and direct the activities of several large banks located here to its own advantage and gain, by causing First American Bank and NBG to make loans to many prominent American politicians on very generous terms and other business allies/associates of BCCI and its insiders, CenTrust (its PAC and its officials) to make huge (and often illegal) political contributions to prominent American political figures, as well as loans to other business allies and associates of BCCI and its insiders and Independence Bank to make loans to other BCCI customers or to support BCCI investments or assets in the United States, to make illegal loans to benefit Pharaon and to further illegally infiltrate the American banking system by making loans to a convicted felon to illegally acquire

Viking Savings, which later failed due to the waste and misuse of its assets for making illegal political contributions by Michael Goland, the felon whom Independence Bank financed.

(f) Defendants' wrongdoing has caused enormous economic damage to residents and citizens of the United States, including depositors in the BCCI Banks, the United States banking system, to the FDIC insurance fund and, ultimately, to the American taxpayer. First American Bank has suffered a huge outflow of deposits exceeding $600 million since June, 1990, on top of operating losses of $158 million in 1990, and has non-performing loans of almost $500 million – which has resulted in it signing an operating agreement with federal authorities to improve its lending operations, and, in August, 1991, Clifford and Altman were forced to resign all their positions with First American. CenTrust – which was looted by David Paul to the tune of over $32 million – became insolvent and was ultimately seized by federal regulators – a takeover likely to cost United States taxpayers some $2 billion. Independence Bank has also suffered huge losses, including $15 million in its most recent quarter, while extending loans to a now-convicted felon to buy Viking Savings, which Michael Goland looted and abused to obtain, *inter alia*, political influence, before it failed and was taken over.

9. (a) For many years, BCCI issued annual reports, promotional materials, advertisements and public statements that represented that the Bank was prudently and conservatively managed, was operating legally and in

close collaboration with and under the oversight of banking regulators in several jurisdictions, had huge capital and assured an adequate liquidity.

(b) In mid-May, 1978, a top BCCI executive, Ameer Siddiki, publicly responded to a report that BCCI might be attempting to purchase a United States bank by saying that "under U.S. law we can't buy a bank there. . . . We don't want to go into the U.S. by the back door." This statement, which was disseminated to and reported in the financial press by mail and wire, was false because BCCI already secretly and illegally controlled the NBG and intended to further secretly and illegally infiltrate the United States banking system by purchasing control of First American. BCCI and its officers and directors had a duty to make accurate disclosure about this topic because BCCI chose to voluntarily make a statement about it, had knowledge of the true facts and had the ability to make truthful disclosure.

(c) During 1980-1991, BCCI periodically ran advertisements in several international papers such as the *Arab News* and the *International Herald Tribune* in order to attract deposits. These false ads were mailed to newspapers and the newspapers were in turn delivered by mail to millions of persons. While the precise text of these ads varied, each was intended to convey information indicating that BCCI was a solvent, well-capitalized bank with many billions of dollars in assets. An example of a BCCI advertisement published in the *Arab News* is attached hereto as Exhibit 41. These advertisements were each false and misleading when prepared, published and mailed for the same reasons that BCCI's final statements for those years were false, as specified in ¶308. BCCI, its

officers and directors and Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/Luxembourg and Ernst & Young, Ernst & Young/US, Ernst & Young/UK and Ernst & Young/Luxembourg each had a duty to make accurate disclosure about BCCI's financial condition in these advertisements because they had participated in the preparation of the false financial statements and information, were aware that the false and misleading ads were being run, had knowledge of the true facts and had the ability to make or cause to be made truthful disclosure.

(d) Throughout the 1980's, BCCI distributed to potential depositors brochures describing the BCCI Banks which were intended to attract depositors and which included financial information about BCCI's capital and assets which made it appear that the bank was well capitalized and had substantial assets. An example of such brochures is attached as Exhibit 42 hereto. These brochures were each false and misleading when prepared and distributed by mail for the same reasons that BCCI's financial statements for those years were false, as specified in ¶308. BCCI, its officers and directors and Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/Luxembourg and Ernst & Young, Ernst & Young/US, Ernst & Young/UK and Ernst & Young/Luxembourg each had a duty to make accurate disclosures about BCCI's financial condition in these brochures because they had participated in the preparation of the false financial statements and information, were aware that false and misleading brochures were being

mailed, had knowledge of the true facts and had the ability to make or cause to be made truthful disclosure.

(e) A brochure issued by BCCI in 1985 (Exhibit 5) stated that BCCI "is adequately supported by a capital fund in excess of $1 billion . . . [its] results show a total shift of emphasis from growth to consolidation, from quantity to quality – an emphasis on high capital/asset ratio, high liquidity, high quality of assets. . . . The focus will continue to accentuate on conservatism and prudence during the next decade."

(f) In 1988, Abedi misrepresented that BCCI was a "totally apolitical" body and "our success so far is due to the honesty and integrity of purpose of the entire staff."

(g) On October 12, 1988, BCCI issued a press release disseminated by mail and wire in the United States in response to its indictment on money laundering charges in federal district court in Florida, falsely stating that "We are doing everything that we can to co-operate with government authorities [and] determine the facts of the matter," that BCCI's policy "is always to follow scrupulously all the laws of each country where we do business" and that BCCI tried to avoid doing business with "firms or individuals of questionable background." This statement was false because BCCI was covering up a wide array of past and ongoing criminal activities from U.S. authorities and it did not have a policy of following the laws of the countries which it did business in but, rather, it consistently violated those laws and was doing a large amount of business with drug dealers, terrorists, arms dealers and other shady characters who were

engaged in illegal conduct. BCCI and its officers and directors had a duty to make disclosure of the true facts necessary to make these statements not false and misleading because they had knowledge of the true facts, BCCI had voluntarily issued a press release about these topics and they had the ability to make truthful disclosure.

(h) On October 12, 1988, an attorney and agent for BCCI made a false statement which was disseminated by wire (and was quoted in the *New York Times*, which was mailed to thousands of persons) that BCCI "has at all times attempted to conduct itself in a manner consistent with United States laws, rules and regulations." This statement was false and misleading because BCCI did not attempt to comply with United States laws but, rather, was engaged in a massive violation of numerous laws and regulations relating to banking, currency transactions, narcotics and the like. This statement was false because BCCI was in fact covering up a wide array of past and ongoing criminal activities from U.S. authorities, it did not have a policy of following the laws of the countries in which it did business but, rather, consistently violated those laws and was doing a large amount of business with drug dealers, terrorists, arms dealers and other shady characters who were engaged in illegal conduct. BCCI and its officers and directors had a duty to make disclosure of the true facts necessary to make these statements not false and misleading because they had knowledge of the true facts, BCCI had voluntarily issued a press release on these topics and they had the ability to make truthful disclosure.

(i) On October 20, 1988, BCCI officials, accompanied by Morrison & Foerster partners Henry M. Fields

("Fields"), L. Richard Fischer ("Fischer") and Robert G. Ballen ("Ballen") met with FRB senior staff members, including William Taylor, Director of the FRB Division of Banking Supervision and Regulation, Donald Kline ("Kline"), Associate Director of the Division of Banking Supervision and Regulation, and William Ryback, Deputy Associate Director. The purpose of the meeting was to discuss growing concerns that FRB senior staff had with BCCI's operations in the U.S. and the relationship between BCCI and First American. At the meeting, Kline expressed significant concern regarding the relationship between BCCI and First American and asked if anyone attending the meeting was prepared to make representations concerning this relationship. Fisher and Fields assured federal regulators that although there was common stock ownership of BCCI and First American through a common group of controlling shareholders, BCCI did not control First American and everything was proper at BCCI despite its recent indictment for money-laundering. With the aid and assistance of the Morrison & Foerster attorneys, BCCI officials also represented that BCCI had met with New York and California state banking regulators and was undertaking a massive voluntary compliance program, over and above what was required by those regulators or the FRB, and requested that the FRB allow BCCI to put its own house in order. The purpose and effect of these false representations to FRB senior staff was to stop any further scrutiny by the regulators, to deceive the regulators and to conceal BCCI's fraudulent activities. Similarly, in connection with its January 16, 1990, Plea Agreement, BCCI lied to the federal government and the federal judiciary by entering into a

plea agreement in which it was represented to the federal court to have "declared to the United States that it has reformed itself through new management and banking practices, including strengthened compliance policies and procedures. Also toward that end, BCCI has agreed to cooperate with law enforcement authorities." This representation was completely false because BCCI had not reformed itself, was not permitting new management to change the way it operated, had not changed its banking practices and was not going to comply with United States laws or cooperate with U.S. law enforcement authorities.

(j) When BCCI finally reported losses in 1988 and 1989, it downplayed the significance of these losses, attributing them to isolated and/or non-recurring factors, received opinions from Price Waterhouse on its financial statements that were unqualified with respect to its financial condition and gave no indication it was suffering from any serious operational, control or financial problems. In fact, in April, 1990, when the BCCI conspiracy was in danger of unraveling from the accumulated effects of years of illegal diversion and waste of its assets, improper lending and improper financial transactions, Price Waterhouse, Price Waterhouse/UK and Price Waterhouse/Luxembourg and several top BCCI executives realized that a major infusion of cash to BCCI was required to avoid its immediate collapse and the exposure of the Ponzi scheme that BCCI actually was conducting. Price Waterhouse, Price Waterhouse/UK and Price Waterhouse/Luxembourg, these executives and others (the "Task Force") undertook a thorough review of BCCI's banking business which easily documented huge irregularities – gross abuse of proper banking and lending

standards – and improper accounting practices, concluding that: "The Task Force feels that the regular annual audit thereof should have easily detected and corrected such haphazard transactions several years ago. . . . It took the Task Force only a few days to note that nearly each of these cases had common patterns of initiation activity, fund flows, weak documentation . . . which any reasonable audit process should have tracked down, identified and stopped forthwith. . . . It is in the interest of all concerned who are involved in safeguarding the existence of BCCI Group – the shareholders, the directors, the management, the auditors and finally, the regulators, to close this matter urgently and allow the Bank's Annual Report to be issued to the public, globally at the earliest. Without this there is now a grave and real danger of a serious 'run' on the Bank worldwide resulting in an uncontrolled situation which would even close the entire Group." Exhibit 35.

(k) Despite their knowledge of the BCCI Banks' prior profligate and illegal practices and their gravely impaired financial condition, defendants conspired to make the grave, indeed fatal, situation in April, 1990, appear positive, with Abu Dhabi supposedly injecting new capital into BCCI, BCCI telling its depositors and the public that BCCI was operating "very normally," the Bank of England was "fully in the picture," there was "no real ground for concern by depositors," and that the movement of the Banks' operations headquarters to Abu Dhabi from London was to save overhead and increase efficiency, and Price Waterhouse and Price Waterhouse/UK issuing an unqualified opinion on BCCI's financial statements, while BCCI top executives and directors

issued strong positive reassuring statements to its depositors and the general public.

(l) In May, 1990, responding to concerns that had been raised about BCCI's relocation of its headquarters to Abu Dhabi, an unidentified spokesperson for BCCI made a statement which was disseminated by mail and wire that BCCI's involvement in money laundering would "never happen again," that relocation to Abu Dhabi was designed to save money and that "there should be no real ground for concern for depositors here. We intend to keep a major presence in the United Kingdom . . . . " These statements were false and misleading because BCCI was continuing to engage in illegal conduct (including money laundering) and due to BCCI's illegal activities and gravely impaired financial condition, depositors were threatened with the imminent loss of a substantial amount of their deposits. BCCI's officers and directors had a duty to make full disclosure regarding this statement because they were aware BCCI had voluntarily made this statement, they knew it was false and they had knowledge of the true facts and the ability to make truthful disclosure.

(m) In the Spring of 1991, the scheme was again about to unravel as BCCI's operations and controls had continued to deteriorate, it had continued to suffer huge losses, impaired cash flow and was riddled with billions in non-performing and/or uncollectible loans. However, Price Waterhouse and Price Waterhouse/UK agreed with BCCI and the Sheikh of Abu Dhabi to once again give the BCCI Banks clean audit opinions if the Sheikh put in another $600 million in capital and agreed to indemnify Price Waterhouse and Price Waterhouse/UK for giving

the clean opinion. By this time, however, United States banking regulators had discovered the true extent of BCCI's operations in the United States and sought to bring about a worldwide coordinated seizure of the BCCI Banks by regulators in several countries. And, before the clean auditor's opinion could be issued, due to certain information provided secretly to the Bank of England by an ex-BCCI employee, Price Waterhouse/UK was ordered by the Bank of England to prepare a report for it, without the knowledge of BCCI and its top executives, as to the condition and practices of the Bank.

(n) In late June, 1991, Price Waterhouse/UK admitted to the Bank of England that there was over $600 million in unrecorded deposits in the BCCI Group and that "the accounting records and financial position of the [BCCI] Group have been falsified in relation to the above transactions for a substantial number of years [and] these transactions represent only a part of a wholesale deception to misrepresent and falsify the financial position of [BCCI] over the last decade through a series of complicated manipulations [including] a significant falsification of the accounting records (involving false loans, transactions, and confirmations) on such a scale that the true financial history of BCCI is unlikely to be able to be recreated . . . " and that "it would appear that the bank has generated significant losses over the last decade and may never have been profitable in its entire history." A few days later, the BCCI Banks were seized in a worldwide coordinated effort of banking regulators in the United States and elsewhere.

10. Among the illegal acts constituting the pattern of racketeering activity and violation of the laws of

nations and treaties of the United States carried out by the BCCI Banks and the defendants herein were:

(a) In the United States, illegally obtaining and maintaining control for BCCI of NBG, First American, CenTrust and Independence Bank by lying to the FRB and other federal banking agencies in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred with regard to the illegal acquisition and control of NBG during 1975-1991; the illegal acquisition and control of First American during 1978-1991; the illegal acquisition and control of CenTrust during 1985-1989; and the illegal acquisition and control of Independence Bank during 1985-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, al-Mazrui, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib and Bank of America;

(b) Using its United States agency offices to finance illegal drug transactions of Pablo Escobar and Jorge Ochoa, leaders of the Medellin drug cartel, including transactions involving the illegal transportation of narcotics into the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18

U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity) and 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Robert Magness, Lawrence Romrell, Noriega, Lamarche, van Oenen, Al-Mazrui, Hartman, Twitchin, Shafi and Bank of America;

(c) Misusing for illegal purposes and/or stealing (*i.e.*, siphoning off) the deposits of the BCCI Banks, including portions of the deposits of U.S. residents and citizens, parts of which deposits had been obtained in the United States and the diverted portions of which were, in part, used in this country to finance BCCI's illegal infiltration of the U.S. banking system, to pay off Clifford and Altman and to make payments to obstruct United States justice in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with

BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Bank of America and Hill & Knowlton;

(d) Assisting, through its Miami, Florida, operations, Munther Ismael Bilbeisi (brother of a BCCI regional manager) to smuggle $35 million worth of coffee into the United States and sell it to United States buyers, in part through funds and false documents it made available in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1983-1985. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad,

Capcom, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi;

(e) Assisting the now-deposed and arrested Panamanian dictator, Manuel Noriega, in looting the treasury of Panama and stealing its public monies by secretly transferring these funds out of Panama to Noriega's secret bank accounts elsewhere, in part via transfers through BCCI's United States agency offices and First American offices in the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel on Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived From Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magnes, Romrell, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford, Altman, Scoffone, Beddow and Adams;

(f) Money-laundering the proceeds of illegal narcotics activities through its Miami, Florida, offices for which several BCCI operatives were convicted in United States District Court for the Southern District of Florida and BCCI pleaded guilty, paid a $15 million fine and was placed on probation for five years in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud),

18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1988. Along with BCCI, the defendants who directly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(g) Making illegal political contributions in the United States, in substantial part through CenTrust's Political Action Committee ("PAC"), its officers, its top customers and certain of their associates, as well as Goland and Viking Savings & Loan, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred during 1985-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul and Goland;

(h) Assisting Arif Durrani, a Pakistani weapons dealer, to illegally sell and ship (smuggle) arms to Iran,

for which Durrani has been convicted in United States District Court and sentenced to 10 years imprisonment, via letters of credit and monetary transfers from its Los Angeles, California, operations in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity). These predicate acts occurred during 1986. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, al-Mazrui, Hartman, van Oenen, Twitchin and Shafi;

(i) Undertaking to obtain political influence to hinder, halt, deflect or delay any investigation into their conduct in the United States or by United States law enforcement authorities and to prolong their conspiracy by hiring a phalanx of United States lobbyists – often paying them excessive fees – making huge and often illegal political contributions in the United States through, *inter alia*, CenTrust (as described above) and also Clifford and Altman, and by having First American make large loans on very generous terms to political figures in the United States through the First American in violation of 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed,

Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Lamarche, van Oenen, Twitchin, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Hill & Knowlton, Paul, Independence Bank, Dobrich, Shoaib, Goland and Bank of America;

(j) Circulating by mail and wire in and into the United States the false and misleading financial statements by BCCI and other false statements by BCCI and of the co-conspirators that BCCI was not operating illegally in the United States, was well capitalized, had sufficient liquidity, was well managed and was working closely and cooperating with regulators in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises). These predicate acts occurred during 1985-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Independence Bank, Dobrich, Shoaib, Bank of America and Hill & Knowlton;

(k) By engaging in the United States in fraudulent sales of securities and deceptive and dishonest acts in connection with CenTrust "selling" $150 million in

subordinated debentures in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1961(1)(D) (Fraud in Sale of Securities). These predicate acts occurred during 1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul and Bank of America;

(l) By engaging in the United States in financial institution, bank, mail and wire fraud in helping to falsify the apparent financial condition of CenTrust Savings Bank to avoid its regulatory seizure, keeping the bank operating for one or two more years and causing the United States to spend hundreds of millions of dollars more to "bail out" that bank when it was finally seized in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred during 1986-1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Hartmann and Paul;

(m) Covering up its illegal activities in the United States by making repeated false statements about BCCI's actual control of First American, CenTrust, NBG and Independence Bank; by arranging for a plea bargain in connection with a money-laundering plea in Florida that could bar any further criminal prosecution of BCCI

in the United States by federal authorities; and by lying to federal investigators and grand juries, paying off employees not to "blow the whistle" and advising one or more witnesses (Amjad Awan) to leave the United States to avoid giving testimony to federal law enforcement or investigating agencies in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America, Hill & Knowlton, Morrison & Foerster, Fields, Foster, Rosenblum Parish & Bacigalupi and Bacigalupi;

(n) By helping its Los Angeles agency to funnel at least $3 million in illegal proceeds from an Orange County, California, telemarketing scheme out of the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1957 (Engaging in Monetary

Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(o) By illegally financing the sale of or attempting to finance the sale of French-manufactured military fighter aircraft owned by Argentina to third world countries, including Saddam Hussein's Iraq, from its Miami, Florida, office in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity). These predicate acts occurred during 1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(p) By financing international terrorism including financing and assisting the notorious ANO organization, financing the purchase, sale and delivery of illegal arms (including arms shipped to Saddam Hussein in Iraq) by Abu Nidal and some 10 others, including Samir

Najmeddin, through some 42 accounts involving $50 million in BCCI's London Bank in violation of 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1952 (Interstate and Foreign Travel on Transportation in Aid of Racketeering Enterprises). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Lamarche, van Oenen, Twitchin and Shafi;

(q) By assisting the former President of Peru, Alan Garcia, to steal millions from his nation's treasury, funneling the money to secret accounts via the BCCI Bank systems in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(r) By paying some $3 million in bribes to Peruvian Central bankers to obtain deposits from Peru's Central bank in violation of 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1986-1987. Along with

BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(s) By helping Munther Ismael Bilbeisi illegally sell Jordanian helicopters to Guatemala at inflated prices so he could pay kickbacks to relatives of the President of Guatemala and certain high military officials in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(t) Committing bank, financial institution, mail and wire fraud in the United States by obtaining and then maintaining control of four American banks, *i.e.*, First American, NBG, CenTrust and Independence Bank, through the use of secretly compensated nominees and false statements, reports and filings with the Federal Reserve Board ("FRB") and other regulatory authorities in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses). These

predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Ernst & Young, Ernst & Young/US, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Hartmann, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton;

(u) In 1988 through wire and mail fraud, purchasing ("parking") in the United States some $35 million in junk bonds issued by CenTrust in order to artificially prop up the financial condition of CenTrust at a time when the regulators were bearing down on it and threatening to close it, which bonds were repurchased from the BCCI Banks and other straw parties by CenTrust at face value shortly after the regulators' inspection of CenTrust was over. This transaction was undertaken deliberately to deceive American banking regulators and help a fraudulently operated savings and loan to stay open longer, which ultimately inflicted great damage on American taxpayers, and constitutes, *inter alia*, financial institution fraud in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1961(1)(D) (Fraud in Sale of Securities). These predicate acts occurred during 1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance,

Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, Paul and Bank of America;

(v) In 1987, via wire and mail fraud and fraud in the sale of securities occurring here in the United States, causing First American to purchase Pharaon's interest in NBG – which was actually BCCI's interest – at a grossly inflated and unfair price, thus funneling at least $220 million to the BCCI Banks, which monies were utilized by it to help cover up and perpetuate its ongoing fraud in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance and Bank of America;

(w) Paying bribes to top officials of the Peruvian Central Bank in order to get those individuals to cause the government of Peru to place government funds in the BCCI Banks and in paying a $32 million bribe to the former manager of its investment activities in London in order to prevent him from exposing the ongoing fraud and criminal conduct at the BCCI Banks to a United States Senate Subcommittee, which payment was known

to and approved by BCCI's then-auditors, Ernst & Young and/or Ernst & Young/UK in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1986-1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Ernst & Young, Ernst & Young/UK, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(x) Permitting the BCCI Banks' branches in Florida to engage in financing illegal narcotics transactions and to engage in money laundering transactions on behalf of drug dealers and then, when that activity was discovered by law enforcement officials, using its political influence to obstruct justice and get an improper plea bargain agreement which permitted it to pay a paltry fine of $15 million, while securing an agreement from federal law enforcement officials which was grossly overbroad in that it purported to commit the United States to never charge the BCCI Banks or its affiliates "with committing any other federal criminal offenses under investigation or known to the government at the time of the execution of this agreement or relating in any manner to the charges disposed of by the agreement" in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18

U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies), 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies), 18 U.S.C. § 1961(1) (A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Bank of America and Hill & Knowlton;

(y) To consistently manufacture false documentation to facilitate inflation of account turnover and concealments of flows of funds involving over 6,500 accounts during a 15-year period, including activities to hide over $600 million in deposits treating them as unrecorded deposits, thus grossly distorting the Banks' financial statements and making hundreds of millions of dollars of fictitious loans, which in fact were nothing more than transfers of money to BCCI insiders and those with whom those insiders had incestuous business and other relationships in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank

Fraud), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1976-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Hartmann, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin and Shafi;

(z) Acting as personal bankers for and engaging in illegal currency transactions and secret transfers of monies on behalf of Noriega, helping Noriega loot Panama's national treasury through a series of transactions by which they permitted and assisted those parties to appropriate government monies for their own personal use in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies), 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance,

Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(aa) Stealing depositors' monies, including portions of the deposits of U.S. residents and citizens, by permitting BCCI insiders and their friends, relatives and business associates to obtain huge loans that would never be repaid and, in some instances, just taking the money in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly and indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/ US, Price Waterhouse/UK, Price Waterhouse/ Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/ Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Hartmann, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton; and

(ab) In the United States illegally accepting deposits from U.S. citizens and/or residents, as well as non-residents, in part with the help of Bank of America and First American, in violation of 18 U.S.C. § 1342 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, al-Mazrui, Hartmann, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford, Altman, Scoffone, Beddow, Adams and Bank of America.

11. (a) Thus, among defendants' illegal activities constituting RICO predicate acts, *i.e.*, their pattern of racketeering activity, were bribery, mail fraud, wire fraud, dealing in narcotic drugs, financial institution fraud, bank fraud, obstruction of justice, fraud in the sale of securities, monetary transactions in property from illegal activity and violations of the Currency and Foreign Transactions Reporting Act. In short, BCCI and the other defendants conspired to commit and aided and abetted each other in committing a multi-billion dollar scheme to defraud BCCI's depositors and bank regulators by falsifying bank records to hide illegal loans, asset transfers, money laundering and committed bank fraud totaling millions.

(b) According to Robert M. Morgenthau, the District Attorney for New York County, BCCI was "the largest bank fraud in world financial history." In announcing the State of New York's July, 1991, indictment of BCCI and its top officers for stealing depositors' money here in the United States, he stated:

> This indictment spells out the largest bank fraud in world financial history, . . . BCCI was operated as a corrupt criminal organization throughout its entire 19 year history. It systematically falsified its records. It knowingly allowed itself to be used to launder the illegal income of drug sellers and other criminals. And it paid bribes and kickbacks to public officials.
>
> * * *
>
> By means of this scheme, the defendants obtained more than $20 billion from its depositors, including citizens and foreign nationals in New York City, banks headquartered in Manhattan, central banks of other nations, and thousands of depositors throughout the world, . . . The best estimates indicate at this time that upwards of $5 billion has been lost through this fraud.
>
> The Scheme to Defraud count includes allegations that the defendants paid a bribe of $3 million to the two senior officers of the Central Reserve Bank of Peru, in exchange for receiving deposits from the bank.
>
> The Grand Larceny counts relate to the loss of more than $30 million from the American Express Bank Limited on July 5, 1991, when the Bank of England and regulatory agencies in other nations, including the United States,

ordered the closing of BCCI. Because BCCI obtained the deposits from American Express Bank through fraudulent means, by falsely representing BCCI's financial condition, the losses are thefts.

* * *

In addition, BCCI S.A. is charged with eight counts of Falsifying Business Records in the First Degree, relating to a series of instances on which the bank failed to file currency transaction reports on currency deposits of $10,000 or more in one of the bank's customer accounts, as is required by federal law.

The transactions appear to be instances of money-laundering.

* * *

The corporate structure of BCCI was set up to evade international and national banking laws so that its corrupt practices would be unsupervised and remain undiscovered. . . . The defendants systematically falsified the capital structure of BCCI to make it appear as though it was a solvent, profitable bank secured by the backing of wealthy businessmen from the Middle East.

In fact, much of the bank's capitalization and assets were fictitious and its backing illusory. . . . The defendants created the appearance of respectability by persuading the world leaders to appear with them and defrauded their thousands of depositors, both small and large, who relied on that appearance of respectability.

> This largest of Ponzi schemes is over. . . . But we have much yet to discover about this bank, and much to do in reforming international banking practices. The key to the scheme was that BCCI was structured in such a way so that no single central bank was able to monitor its activities. No foreign bank should be permitted to operate in the United States unless it is supervised by a single, strong central bank and is not bound by bank secrecy laws of another jurisdiction. Without these reforms, the potential for massive worldwide bank fraud remains.

Exhibit 9. According to Robin Leigh-Pemberton, a Governor of the Bank of England, "The culture of the bank is criminal." It has been publicly reported that "[n]othing in the history of modern financial scandals rivals the unfolding saga of the Bank of Credit & Commerce International, the $20 billion rogue empire. . . . Never has a single scandal involved so much money, so many nations or so many prominent people. . . . [I]t is the largest corporate criminal enterprise ever, the biggest Ponzi scheme, the most pervasive money-laundering operation and financial supermarket ever created for the likes of Manuel Noriega, Ferdinand Marcos, Saddam Hussein and the Colombian drug barons." In short, BCCI was the "largest of Ponzi schemes."

(c) On or about December 19, 1991, BCCI agreed to plead guilty (Exhibit 12) to a massive superseding indictment (Exhibit 11) brought here in the United States which identified BCCI as a RICO criminal enterprise and charged that from 1978 forward it used the following illegal methods "to increase the size of the

assets and deposits under the control of the BCCI Group:"

- Seeking deposits of drug proceeds;
- Laundering drug proceeds;
- Seeking deposits from persons who were attempting to evade United States income taxes;
- Using "straws" and nominees to acquire control of United States financial institutions;
- Making and causing to be made false statements or material omissions to regulators in connection with the purchase of United States financial institutions;
- Creating and causing to be created false bank records and engineering sham transactions to deceive United States regulators as to the soundness of United States financial institutions under the control or influence of the BCCI Group or its co-conspirators, in order to obtain regulatory approval for the financial institutions to increase their assets.

On January 24, 1992, BCCI's guilty plea was accepted by the United States District Court for the District of Columbia. Attached as Exhibit 38 hereto is a copy of that Court's Order of Forfeiture, Exhibit A of which details the numerous bank and brokerage accounts BCCI maintained in California, New York, Texas, Florida, Tennessee and Illinois. In 1988, BCCI and several of its officers had also pled guilty to massive federal charges of money-laundering of drug proceeds. *See* Exhibit 6. Because of the foregoing, BCCI is now known as the "Bank of Crooks and Criminals," or the "Bank of Crime and Corruption." For

the convenience of the Court, the table set forth on the following page illustrates the various categories of defendants sued in this action.

[Complaint Excerpted Here]

17. (a) As set forth in greater detail below, in connection with the acts, conduct, combination and conspiracy alleged herein, the defendants and their co-conspirators, directly and indirectly, have used and affected the means and instrumentalities of interstate and foreign commerce, including travel in interstate and foreign commerce, use of the United States mails and interstate and international wire facilities;

(b) This action is not brought on behalf of or for the benefit of BCCI to recover any damages on its behalf, assert any causes of action belonging to it, or remedy any loss suffered by it; rather, this action is brought on behalf of BCCI depositors directly for the damages they suffered due to the operation of BCCI as a criminal enterprise, thus it asserts causes of action belonging to them and which can be asserted only by them. The wrongful conduct of which the plaintiffs complain on the part of defendants was aimed at plaintiffs as depositors and was intended to injure them as such. The damages and injuries suffered by plaintiffs and the members of the class are separate and distinct from any damages or injuries suffered by BCCI and were not suffered as incidental to any injury suffered by BCCI; rather, the injuries complained of herein resulted from breaches of duty directly owed to plaintiffs and to the members of the class and constitute direct and special injuries suffered only by them. Each defendant owed a special duty to plaintiffs

and members of the class separate and apart from whatever duties they may have owed BCCI, and the violation of those duties directly caused the injury sustained by them (*i.e.*, loss of deposits) in violation of 18 U.S.C. § 1962. Each defendant knew that BCCI accepted deposits from members of the public and knew that if BCCI operated in violation of law and/or BCCI insiders misused or diverted deposits, BCCI could be seized or shut down and depositors would be harmed. Each defendant knew that BCCI was, in fact, operating in violation of law and that BCCI insiders were misusing and/or diverting deposits and, further, that defendants' engagement in the conspiracy and/or aiding and abetting BCCI was providing important assistance to the operation of an ongoing criminal enterprise which would injure BCCI's depositors. Each defendant also knew that BCCI was operating illegally in the United States, that it had established and structured in a fashion so as to avoid any overall regulation by a single central bank, that BCCI's depositors were protected by little, if any, government deposit insurance, and, consequently, that any failure or seizure of the Bank would result in significant harm to virtually all of its depositors. Each defendant also owed BCCI's depositors a special duty because, as a result of his/its relationship to BCCI, he/it was in a position to protect the depositors and prevent the losses they have suffered. In addition, each defendant owed a special duty to BCCI's depositors not to conspire with or aid and abet the BCCI criminal enterprise or the association-in-fact enterprise in carrying out illegal activity which would have the foreseeable effect of exposing BCCI to regulatory seizure, thereby directly harming BCCI's depositors; and

(c) The BCCI Banks were seized on July 5, 1991. No single liquidator is in control of all of the BCCI Banks, which are consequently the subject of liquidation proceedings pending in numerous jurisdictions. In January, 1992, a judge of the High Court in the United Kingdom ordered the liquidation of BCCI International, S.A., finding that it was "plainly and hopelessly insolvent." On January 3, 1992, a court in Luxembourg ordered the dissolution and liquidation of the parent company, BCCI (Holdings), S.A., *see* Exhibit 32. Thus, the final liquidation of the parent bank will be carried out in Luxembourg. As of January 30, 1992, the date this Third Amended Complaint was filed, no liquidator has brought any legal action against any defendant named herein to attempt to effectuate any recovery for the BCCI depositors.

III. THE PARTIES AND OTHER IMPORTANT ACTORS

18. (a) Plaintiff Akhtar Hamid ("Hamid") is a United States citizen who resides in California and who deposited $140,000 in a BCCI Bank in London and has been damaged thereby. This plaintiff suffered the following damages to his business and property as a result of defendants' wrongful conduct. Hamid was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes, or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Hamid completely lost access to his deposits in BCCI in

July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations, including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Hamid will not receive more than 25% of his deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount Hamid will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 75% of his deposit plus interest since July, 1991.

(b) Plaintiff Shrichand Chawla ("Chawla") is an Indian citizen who has been a resident of Cupertino, California, since 1979. He opened an account at the Hong Kong ("HK") branch of BCCI on or about April 20, 1990, when he deposited US $200,000. Between that date and July 5, 1991, Chawla deposited approximately $1,460,000 into that BCCI Bank. On the date of seizure, Chawla's account balances were $614,647.47 in time deposits and $131.88 in savings. Chawla demanded the return of his BCCI deposits on July 7, 1991. Separately, on July 24, 1991, Chawla demanded the return of US $30,000 which had been wrongfully accepted by the Bank of New York on July 8, 1991. By letter dated September 12, 1991,

Chawla received a distribution of HK $500,000. In addition, by letter dated September 13, 1991, Chawla was requested to confirm his account balances at BCCI. By letter dated September 14, 1991, Chawla received a claim form concerning creditors. By letter dated September 23, 1991, Chawla submitted a claim form concerning the US $30,000 referred to above. Also, by letter dated September 27, 1991, Chawla confirmed his account balances. By letter dated October 1, 1991, Chawla received a check for HK $233,070, which represented 100% of the above-referenced claim in the amount of US $30,000. Chawla has been informed that under a proposal concerning the acquisition of the BCCI Hong Kong branch by the Hongkong Chinese Bank, BCCI depositors, such as Chawla, would receive a total of 85% of their balances as of July 17, 1991, less interim relief already paid. Under this proposal, interest would not be paid on deposits after July 17, 1991. Therefore, even if the proposal referred to above is consummated, Chawla will receive only 85% of his deposits as of July 17, 1991, *i.e.*, $522,562.44. Thus, since Chawla's deposit (excluding the US $30,000 which has been reimbursed) was $614,779.35, Chawla will sustain a loss of interest and damage to his business as a result of over $600,000 being frozen since July, 1991. Chawla suffered the following damages to his business and property as a result of defendants' wrongful conduct. Chawla was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of

BCCI insiders and their co-conspirators named as defendants herein. Plaintiff Chawla completely lost access to his deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Chawla will not receive more than 85% of his deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount plaintiff Chawla will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 15% of his deposit plus interest since July, 1991.

(c) Plaintiff Soha, Inc. ("Soha") is an Oregon corporation with its principal place of business located in the County of San Diego, California, which currently has deposits of approximately $125,000 in the BCCI Los Angeles agency and has been damaged thereby. Soha suffered the following damages to its business and property as a result of defendants' wrongful conduct. In 1987, Soha was defrauded into placing its deposit into a criminal enterprise instead of a legitimate bank and its deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were

misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Soha completely lost access to its deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Soha will not receive more than 25% of its deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount Soha will receive at an indefinite time in the future, thus having lost and suffered damage to its property or business of at least 75% of its deposit plus interest since July, 1991.

(d) Plaintiff Idriss Devco, Inc. ("Idriss") is a California corporation with its principal place of business located in the County of San Diego, California, which deposited approximately $2 million in the BCCI Los Angeles agency and has been damaged thereby. Idriss suffered the following damages to its business and property as a result of defendants' wrongful conduct. In 1989, Idriss was defrauded into placing its deposit into a criminal enterprise instead of a legitimate bank and its deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing

operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Idriss completely lost access to its deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Idriss will not receive more than 25% of its deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount Idriss will receive at an indefinite time in the future, thus having lost and suffered damage to its property or business of at least 75% of its deposit plus interest since July, 1991.

(e) Plaintiff S & L Gentrade, Inc. ("Gentrade") is an offshore corporation incorporated in the United Kingdom which, together with Idriss, deposited approximately $2 million in the BCCI Los Angeles agency and has been damaged thereby. Gentrade suffered the following damages to its business and property as a result of defendants' wrongful conduct. Gentrade was defrauded into placing its deposit into a criminal enterprise instead of a legitimate bank and its deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the

ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Gentrade completely lost access to its deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Gentrade will not receive more than 25% of its deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount Gentrade will receive at an indefinite time in the future, thus having lost and suffered damage to its property or business of at least 75% of its deposit plus interest since July, 1991. As noted above, these plaintiffs' deposits in the BCCI Los Angeles agency were made at the direction of BCCI through Security Pacific National Bank and Bank of America. These plaintiffs have made numerous oral demands to the California Superintendent of Banks since BCCI's seizure on July 5, 1991, and have made written demand for the return of their funds on deposit on December 27, 1991. Although these plaintiffs have continued to negotiate with the liquidator appointed by the California Superintendent of Banks since the seizure in an attempt to obtain their

funds on deposit, the liquidator has refused to pay said funds to the plaintiffs except as an offset against alleged loan balances. The liquidator has orally represented that the liquidator is empowered to offset the plaintiffs' deposits against alleged loan balances but has continuously refused to pay the deposit funds to plaintiffs in accordance with plaintiffs' demands. Even if the deposits are offset against alleged loan balances, these plaintiffs will have lost the use of those substantial funds (approximately $2,125,000) since the seizure.

(f) Plaintiff Philip Merz ("Merz") is a United States citizen and resident of Beaver, Pennsylvania who deposited $52,924.85 in a BCCI Bank in Luxembourg and has been damaged thereby. Merz made his initial deposit in a BCCI Bank in 1981 in reliance upon representations made in an advertisement placed by BCCI in the *Arab News*, as well as representations made by BCCI in a letter dated April 9, 1988, and a brochure entitled "BCCI – International and Personal Banking in Luxembourg." Merz suffered the following damages to his business and property as a result of defendants' wrongful conduct. Merz was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Merz completely lost access to his deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the

ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations, including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Merz will not receive more than 25% of his deposits back (assuming the controlling stockholder of BCCI contributes $3 billion to the liquidation estate, which it is not certain he will do), which amount Merz will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 75% of his deposit plus interest since July, 1991.

(g) Plaintiff Amit Pandya ("Pandya") is a United States citizen and resident of the Washington, D.C., area who between 1978 and 1991 deposited £30,000 in a BCCI Bank in London in an account of which he is a trustee for the benefit of his mother and has been damaged thereby. This plaintiff suffered the following damages to his business and property as a result of defendants' wrongful conduct. Pandya was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes, or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Pandya completely lost access to his deposits in BCCI in

July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations, including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Pandya will not receive more than 25% of his deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount Pandya will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 75% of his deposit plus interest since July, 1991.

(h) Plaintiff Leo D. Curran ("Curran") is a United States citizen and a resident of Newtown, Pennsylvania, who deposited US $41,042.87 into BCCI/Luxembourg term deposit account no. 03-33505-1 and savings deposit account no. 02-33505-9 in January, 1986. As of the date of seizure, Curran had the same amount of money on deposit at BCCI/Luxembourg. By letter dated August 26, 1991, Curran demanded the return of his deposit. Curran was notified in September, 1991, that BCCI/Luxembourg had been subject to an order of the District Court of Luxembourg appointing a commissioner to supervise the administration of the Bank. He was also informed that the effect of this order was to freeze all accounts of bank depositors. By letter dated October 14,

1991, the Institut Monetair Luxembourgeois informed Curran that his deposits were subject to a deposit protection scheme under the laws of Luxembourg which covers deposits in all currencies up to 500,000 Luxembourg Francs, which was equivalent to US $12,500. The letter was signed on behalf of the Institut Monetair by Andree Billon, Conseiller de direction. In addition, Curran was informed in September, 1991, that his deposits were covered up to a maximum amount of 500,000 Luxembourg Francs by notice provided on BCCI letterhead, which also requested information pursuant to the Luxembourg deposit protection scheme. Therefore, even if such deposit insurance payments are made to Curran, he will sustain a loss of at least US $28,500, even without considering the loss of interest since July 5, 1991. Curran suffered the following damages to his business or property as a result of defendants' wrongful conduct. Curran was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Plaintiff Curran completely lost access to his deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of

almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Curran will not receive more than 30% of his deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount he will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 70% of his deposit plus interest since July, 1991.

(i) Plaintiff Niam Musleh ("Musleh") is a citizen of Abu Dhabi who deposited $10,000 in a BCCI Bank in Abu Dhabi and has been damaged thereby. Musleh suffered the following damages to his business and property as a result of defendants' wrongful conduct. Musleh was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Musleh completely lost access to his deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations, including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has

net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Musleh will not receive more than 25% of his deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount he will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 75% of his deposit plus interest since July, 1991.

(j) Plaintiff Willy Hermans ("Hermans") is a citizen of the Netherlands and a resident of the Cayman Islands who deposited $74,000 in a BCCI Bank in Grand Cayman and has been damaged thereby. Hermans suffered the following damages to his business and property as a result of defendants' wrongful conduct. Hermans was defrauded into placing his deposit into a criminal enterprise instead of a legitimate bank and his deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Hermans completely lost access to his deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations, including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has

net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Hermans will not receive more than 25% of his deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount he will receive at an indefinite time in the future, thus having lost and suffered damage to his property or business of at least 75% of his deposit plus interest since July, 1991.

(k) Plaintiff Red Circle Investments, Ltd. ("Red Circle") is a Grand Cayman corporation which deposited in excess of $687,000 in a BCCI Bank in Grand Cayman and has been damaged thereby. Red Circle suffered the following damages to its business and property as a result of defendants' wrongful conduct. Red Circle was defrauded into placing its deposit into a criminal enterprise instead of a legitimate bank and its deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Red Circle completely lost access to its deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations, including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has

net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Red Circle will not receive more than 25% of its deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount it will receive at an indefinite time in the future, thus having lost and suffered damage to its property or business of at least 75% of its deposit plus interest since July 1991.

(l) Plaintiffs Sadik Mahmoud Hashim ("Hashim") and Nuha Hussain Mubarek ("Mubarek"), husband and wife, are Iraqi citizens, permanent residents of Canada and expect to become Canadian citizens by May, 1992. Mubarek opened account no. 2035814 at BCCI/Abu Dhabi in October, 1980, and Hashim opened account no. 2033765 at BCCI/Abu Dhabi in August, 1980. Both accounts were in Dirhams (the local currency of the United Arab Emirates). On December 5, 1987, Hashim and Mubarek, at BCCI's request, opened a U.S. Dollar Term Deposit Account in London, with an opening balance of $65,000. [Account no. 03083322 at a BCCI/London (Park Lane branch) Expatriate and Personal Banking Department.] "High Interest Cheque Account" (account no. 06002194) also was opened at that time. On June 8, 1989, Hashim and Mubarek opened a parallel Pound Sterling Term Deposit Account (account no. 01066316) at BCCI/London (Park Lane branch, Expatriate and Personal Banking Department). On August 29, 1990, BCCI changed all of the account numbers at the London (Park Lane) branch:

Old	New
03083322($)	03583322
06002194($)	06502194
01066316(£)	01566316

As of July 14, 1991, the accounts contained the following balances:

Account	Balance
03583322	US$ 64,208.14
06502194	US$ 3,295.36
01566316	£ 20.71

The money was deposited initially in account no. 2035814 at BCCI/Abu Dhabi. By June 7, 1988, all of the money was transferred to BCCI/London (Park Lane branch). Hashim and Mubarek received a claim form from Touche Ross dated August 7, 1991, which they completed and returned. In addition to the above-referenced amounts, Hashim and Mubarek have lost interest on their deposits since July 5, 1991. Hashim and Mubarek suffered the following damages to their business and property as a result of defendants' wrongful conduct. They were defrauded into placing their deposit into a criminal enterprise instead of a legitimate bank and their deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Hashim and Mubarek completely lost access to their deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its

prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. They will not receive more than 25% of their deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount they will receive at an indefinite time in the future, thus having lost and suffered damage to their property or business of at least 75% of their deposit plus interest since July, 1991.

(m) Plaintiff Jaleh Khorassanchy is a resident of Los Angeles, California, who maintains dual French and Iranian citizenship. In late 1978 or early 1979, she began depositing money into certificate of deposit accounts at the BCCI Bank located in Paris, France, and on July 5, 1991, she had on deposit there British £12,098.79, 37,326.23 Deutsche marks and US $3,568.31. While in Paris in October, 1991, Ms. Khorassanchy met with a BCCI representative (Mr. Jetpurwalla) who, in response to her demand, stated that she would receive little, if anything; moreover, France has no deposit insurance. In addition, Ms. Khorassanchy has lost interest on her money since July 5, 1991. Ms. Khorassanchy suffered the following damages to her business or property as a result of defendants' wrongful conduct. Khorassanchy was

defrauded into placing her deposit into a criminal enterprise instead of a legitimate bank and her deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein. Plaintiff Khorassanchy completely lost access to her deposits in BCCI in July, 1991, when governmental officials in the United States and elsewhere uncovered the ongoing illegal activities of BCCI and its prior misrepresentations to United States regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having assets of almost $15 billion as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion and that amount will be further eroded as the result of the operations of BCCI's liquidation estate. Khorassanchy will not receive more than 25% of her deposits back (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount she will receive at an indefinite time in the future, thus having lost and suffered damage to her property or business of at least 75% of her deposit plus interest since July, 1991.

19. (a) Bank of Credit & Commerce International, S.A. ("BCCI S.A."), Bank of Credit & Commerce International (Overseas) Limited ("BCCI Overseas"), Bank of Credit & Commerce International Holdings (Luxembourg) S.A. ("BCCI Holdings"), International Credit &

Investment Company (Overseas) Limited ("ICIC Overseas"), International Credit & Investment Company Holdings ("ICIC Holdings") and Credit and Commerce American Holdings, N.V. and Credit and Commerce American Investment, B.V. ("CCHA") (collectively "BCCI") are a group of banks and corporations in various countries under common ownership and control, founded by Agha Hasan Abedi, Swaleh Naqvi, BankAmerica Corp. and Sheikh Zayed al-Nahayan in 1972. The terms "BCCI" and "BCCI Banks" do not include any of the banks in the United States which BCCI illegally controlled and operated. Because of BCCI's ownership and control of First American Bank, Independence Bank, National Bank of Georgia and CenTrust Bank, BCCI and/or the BCCI Banks were each bank holding companies under the laws of the United States and subject to all the reporting requirements, regulations, laws and restrictions of any United States bank holding company. In July, 1991, the BCCI Banks filed for bankruptcy in the United States District Court for the Southern District of New York. *See* Exhibit 22. Were it not for the injunction entered by that court against the filing or prosecution of suits against BCCI, BCCI would be named as a defendant in this Third Amended Complaint. BCCI has also been the subject of liquidation proceedings in London, Luxembourg and elsewhere, has been ordered to be liquidated in Luxembourg and will be many billions short of ever repaying its depositors;

(b) BCCI Holdings is a foreign company existing and doing business under the laws of Luxembourg and is a company for purposes of the United States Bank Holding Company ("BHC") Act, 12 U.S.C. § 1841, *et seq.*

BCCI Holdings owned or controlled Bank of Credit & Commerce International S.A., Luxembourg ("BCCI S.A.") and Bank of Credit & Commerce International (Overseas), Georgetown, Cayman Islands ("BCCI Overseas") and, through agents and nominees, CCHA and its subsidiary United States bank holding companies and banks, First American, NBG, CenTrust, Independence Bank and Viking Savings & Loan ("Viking Savings") of Santa Monica, California;

(c) BCCI S.A. is a foreign bank existing and doing business under the laws of Luxembourg and is a company for purposes of the BHC Act. BCCI S.A. operated agencies in New York City, New York; Los Angeles, Beverly Hills and San Francisco, California; and Miami, Tampa and Boca Raton, Florida. On July 5, 1991, the Luxembourg Monetary Institute took action to seize BCCI S.A. in Luxembourg, the Bank of England seized its operations in England and United States federal and state banking regulators seized its operations and assets located in this country;

(d) BCCI Overseas is a foreign bank existing and doing business under the laws of the Cayman Islands and is a company for purposes of the BHC Act. BCCI Overseas operated agencies in Los Angeles, Beverly Hills and San Francisco, California; Miami, Tampa, and Boca Raton, Florida; New York City, New York; and Washington, D.C. On July 5, 1991, the Inspector of Banks and Trust Companies, Cayman Islands, took action to seize BCCI Overseas;

(e) ICIC Overseas is a foreign bank existing and doing business under the laws of the Cayman Islands and

is a company for purposes of the BHC Act. On July 5, 1991, the Inspector of Banks and Trust Companies, Cayman Islands, took action to seize ICIC Overseas. ICIC Overseas operated under the control of and at the direction of senior BCCI management, including Abedi and Naqvi, to further the business objectives of BCCI, and acted as the alter ego or agent for BCCI in connection with the acquisition of CCHA and a number of other transactions. The ownership, management and business activities of BCCI and ICIC Overseas were intermingled and interrelated in such a way that the two groups generally operated as a single entity; and

(f) By reason of their operation of agencies in the United States, the various entities comprising BCCI were, at all times pertinent hereto, subject to the provisions of the International Banking Act of 1978 (the "IB Act"), 12 U.S.C. § 3101 *et seq.*, Regulation K, 12 C.F.R. Part 211, and Section 8 of the Federal Deposit Insurance Act (the "FDI Act"), 12 U.S.C. § 1818. By reason of their ownership or control of the voting shares of CCHA, NBG and Independence, BCCI Holdings, BCCI S.A., BCCI Overseas and ICIC Overseas also are and have been, at all times pertinent hereto, bank holding companies, or affiliates thereof, subject to the provisions of the BHC Act and Regulation Y. In addition, in 1989, BCCI Holdings, BCCI S.A., BCCI Overseas and their directors and these entities' officers in New York, Los Angeles, San Francisco, Miami, Tampa and Boca Raton entered into a Consent Order with the Federal Reserve pursuant to the FDI Act in which they agree to take specific action to comply with numerous United States currency and banking laws.

20. (a) Defendants Agha Hasan Abedi ("Abedi"), Swaleh Naqvi ("Naqvi") and Sheikh Zayed al-Nahayan ("Sheikh Zayed" or "al-Nahayan") are individuals who, along with BankAmerica Corp., in 1972 founded and for many years thereafter controlled and directed the operations of the BCCI Banks or Group;

(b) Defendant Abedi was, at all times pertinent hereto, an officer and director of BCCI Holdings and BCCI S.A. and a director of ICIC Overseas. By reason of the positions he held, Abedi was at all times pertinent hereto an institution-affiliated party of BCCI, as defined for the purposes of this Complaint by §§ 3(u) and 8(b) (3) and (4) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b) (3) and (4). As an institution-affiliated party, Abedi is subject to the removal and prohibition provisions of the FDI Act, 12 U.S.C. § 1818(e). This defendant is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association in fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which he received from his participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly he acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(c) Defendant Naqvi was, at all times pertinent hereto, a principal officer and director of BCCI S.A., BCCI Overseas and ICIC Overseas. By reason of the positions he held, Naqvi was an institution-affiliated party of BCCI and is subject to the removal and prohibition provisions of the FDI Act. This defendant is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which he received from his participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly

he acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(d) Defendant Sheikh Zayed was, at all times pertinent hereto, himself or through a nominee, an officer and director of BCCI Holdings and BCCI S.A., and a director of ICIC Overseas. By reason of the positions he held, al-Nahayan was at all times pertinent hereto an institution-affiliated party of BCCI, as defined for the purposes of this Third Amended Complaint by §§ 3(u) and 8(b)(3) and (4) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b) (3) and (4). As an institution-affiliated party, al-Nahayan is subject to the removal and prohibition provisions of the FDI Act, 12 U.S.C. § 1818(e). In taking the actions complained of herein, al-Nahayan was not acting in his official capacity as the head of state of Abu Dhabi. This defendant is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which he received from his participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly he acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

21. Defendants Yves C. Lamarche ("Lamarche") (a United States citizen), J.D. van Oenen ("van Oenen"), Ghanim Faris al-Mazrui ("al-Mazrui"), Alfred Hartmann ("Hartmann") and P.C. Twitchin ("Twitchin") (a United States resident) were for several years directors of BCCI International. Defendant Saad M. Shafi ("Shafi") (a United States citizen and resident) was for many years the President of BCCI International. Additional information about these defendants is set forth below:

NAME	DESCRIPTION
Yves C. Lamarche	Spent 24 years with Bank of America where he was Senior Vice President.
J.D. van Oenen	Spent 13 years with Bank of America as an officer.
Ghanim Faris al-Mazrui	Chairman, Private Department for Sheikh Zayed bin Sultan al-Nahayan Secretary General, Abu Dhabi Investment Authority.

P.C. Twitchin	Spent many years as Vice President at Bank of America.
Alfred Hartmann	Chairman, Banque de Commerce et de Placements S.A. Switzerland

By reason of the positions they held, these defendants were, at all times pertinent hereto, institution-affiliated parties of BCCI, as defined for the purposes of this Third Amended Complaint by §§ 3(u) and 8(b) (3) and (4) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b) (3) and (4). As institution-affiliated parties, these defendants are subject to the removal and prohibition provisions of the FDI Act, 12 U.S.C. § 1818(e). These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein; and

(iii) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

22. Defendant Zafar Iqbal ("Iqbal") was the Chief Executive Officer of BCCI for many years. By reason of the positions he held, Iqbal was, at all times pertinent hereto, an institution-affiliated party of BCCI, as defined for the purposes of this Third Amended Complaint by §§ 3(u) and 8(b) (3) and (4) of the FDI Act, 12 U.S.C.

§§ 1813(u) and 1818(b) (3) and (4). As an institution-affiliated party, Iqbal is subject to the removal and prohibition provisions of the FDI Act, 12 U.S.C. § 1818(e). Defendant Amjad B. Awan ("Awan"), a convicted felon for money-laundering, headed the Panama and Miami offices/agencies of BCCI for many years. Defendant Syed Ziauddin Ali Akbar ("Akbar") was a high-ranking BCCI officer who in the early 1980's ran BCCI's treasury operations, which included currency and financial instrument trading. Due to trades authorized by Akbar, some of which took place in the United States through a Capcom subsidiary and involved United States securities, hundreds of millions of dollars of BCCI funds were siphoned off and when threatened with discharge, Akbar, who was convicted of money-laundering in the United States in connection with his operating Capcom (discussed below), extorted "hush money" payments of $30+ million in return for not giving information about BCCI's pattern of racketeering activity to the authorities, including an investigation by a United States Senate Committee which was seeking to pierce and expose the BCCI conspiracy. Defendant Dildar Rizzi ("Rizzi") was the treasurer of BCCI after Akbar up until BCCI was seized, continued many of the illegal and/or improper practices Akbar had engaged in and was actually involved in BCCI's laundering of illegal narcotics monies through its operations in the United States. Defendant Sani Ahmad ("Ahmad") is a United States citizen who is currently in federal custody in this country as a material witness in the ongoing BCCI criminal investigation. During 1985-1990, Ahmad headed

BCCI's Washington, D.C., office and participated in bribing United States officials and/or regulators. These defendants are liable under § 1962 RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein; and

(iii) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

23. (a) Defendant Capcom Financial Services, Inc. (Ltd.) and its United States-based subsidiary, Capcom Futures, Inc., an Illinois corporation based in Chicago, Illinois ("Capcom"), was a currency and financial instrument trading company formed and owned by several BCCI insiders, *i.e.*, Kamal Adham, Abdul R. Khalil, Sayed Jawhary and Pharaon and Akbar – who joined Capcom when he left BCCI in 1986. Capcom played a key role in the pattern of racketeering activity by assisting (i) the Medellin cocaine cartel and other drug trafficking organizations in laundering drug money; (ii) Noriega in transferring and secreting monies he stole from Panama; (iii) BCCI insiders in looting the banks of millions via false or fraudulent transactions; and (iv) facilitating the transfer of the huge hush money payment to Akbar. Capcom was

indicted in connection with the 1988 drug money-laundering scandal in Miami, where BCCI pleaded guilty, and in 1989, Capcom was fined $500,000 by the Chicago Mercantile Exchange for improper documentation of cash transfers. Capcom was expelled for life from the Chicago Board of Trade for misleading/false statements, reckless and unbusiness-like practices, fraud and dishonorable and dishonest conduct. This defendant is liable under § 1962 of RICO because it:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which it received from its participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise; and

(iv) By the pattern of racketeering activity complained of herein, it conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(b) Defendants Robert Magness ("Magness") and Lawrence Romrell ("Romrell") are United States citizens who reside in the Denver, Colorado, area. Magness and Romrell were large shareholders in Capcom and

were two of the six members of the Board of Directors of Capcom Financial Services, Inc. (Ltd.) until October, 1988, while Romrell was the chairman of its board. While holding such positions, Magness and Romrell were in a position to control and did control Capcom's activities. Capcom, as explained above, assisted BCCI to launder money for drug dealers, assisted defendant Noriega in looting Panama's national treasury and assisted in siphoning off BCCI's deposits for the benefit of certain of the defendants named herein, including Sheikh Adham, as well as Magness and Romrell. For instance, in a series of approximately 20 artificial foreign exchange and gold bullion transactions with a United States-based investment fund known as Capital Fund, Capcom funnelled $3 million to the participants in that investment fund, including Sheikh Adham, as a means of compensating him and certain other participants in the Capital Fund for the substantial assistance which they were providing the BCCI criminal enterprise. In addition, Capcom engaged in fake transactions involving at least $23 million for the benefit of Finley International, Ltd. which was, in fact, a front utilized by General Noriega and, thus, funneled this $23 million from Panama through BCCI and Capcom to Finley and on to Noriega. In addition, in 1987, Romrell and Magness received personal unsecured loans from Capcom for $400,000 and $100,000 each which they utilized to help fund the operations of a brokerage concern affiliated with Capcom and in which Capcom had a majority interest. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in

committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly they acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

24. Defendant Abu Dhabi is a government of which Sheikh Zayed is the head. Defendant Abu Dhabi Finance Department a/k/a Abu Dhabi Investment Authority ("Abu Dhabi Investment/Finance") is owned and controlled by Sheikh Zayed and Abu Dhabi. Defendants Abu Dhabi and Abu Dhabi Investment/Finance, acting directly through agents and officials and members of the royal family and in a commercial capacity, have been involved with the BCCI Banks since their formation and members of its ruling family and other powerful Abu

Dhabi citizens have benefitted by the racketeering activity, by receiving huge "loans" from BCCI which have never been repaid. In so acting, none of the members of the royal family of Abu Dhabi were acting in their official capacities but, rather, in their personal capacity and for their own enrichment. Sheikh Zayed, of Abu Dhabi was a founding shareholder of BCCI, owned more than 30% of its stock and had representation on its Board of Directors at all times through defendant al-Mazuri, who was the head of Sheikh Zayed's personal finance department. Sheikh Zayed consistently used his control of BCCI for his own benefit. For instance, he forced companies doing business with Abu Dhabi to finance such transactions by borrowing money from BCCI or making large deposits there. In addition, Sheikh Zayed and certain members of his family, *i.e.*, Sheikh Hamden, Sheikh Khelifa, Sheikh Mobid and Sheikh Mubarek (all members of the al-Nahayan family) obtained huge loans from BCCI. BCCI financed secretly owned al-Nahayan family projects, such as a large office building located at 330 Madison Avenue in New York City, on preferential terms and totaling at least $400 million, not counting many millions more in loans to Abu Dhabi state-controlled companies in Sheikh Zayed's domain. When certain illegal transactions with BCCI nominees and strawmen and the diversion of BCCI's assets threatened BCCI's solvency and the ability of Sheikh Zayed and others to continue to operate BCCI as a criminal enterprise, Sheikh Zayed helped to cover up these illegal activities in early 1990 by infusing additional capital into BCCI and buying out millions in bad "loans" to BCCI insiders, thus obtaining control of over 75% of BCCI's stock, moving the headquarters of the bank's

operations to Abu Dhabi and transferring incriminating evidence to that country, as well to prevent its seizure by banking regulators in the event BCCI's operations were seized. These defendants have known of BCCI's fraudulent and criminal activities for many years, yet permitted them to continue. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly they acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

25. (a) Defendants Ghaith Pharaon ("Pharaon"), Sheikh Kamal Adham ("Adham"), Abdul R. Khalil

("Khalil"), Sayed Jawhary ("Jawhary") and Faisal Saud al-Fulaij ("al-Fulaij") are individuals who actively participated in and profited from the wrongdoing alleged herein and received some $45 million from BCCI to serve as nominees or strawmen for the BCCI Banks to assist them, *inter alia*, in disguising the true ownership of the BCCI Banks and in illegally infiltrating the American banking system and secretly obtaining control of several banks located in the United States. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly they acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, they conducted or participated,

directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(b) Adham, al-Fulaij, Khalil, Pharaon and Jawhary are and have been, at all times pertinent hereto, institution-affiliated parties of BCCI, subject to the removal and prohibition provisions of the FDI Act, by reason of their acting as agents or nominees for BCCI and ICIC Overseas, and each is an institution-affiliated party who participated in the conduct of the affairs of BCCI; and

(c) Each of these defendants profited from the scheme, conspiracy and pattern of racketeering activity complained of herein by receiving $45+ million to act as nominees/strawmen for BCCI and by receiving huge "loans" from BCCI which were on extraordinarily generous terms, were unsecured or grossly undersecured, have not had interest paid on them, were not, in most cases, evidenced by signed notes and have not been repaid. For instance:

(i) Defendant Khalil is a Saudi "businessman" who was an active and knowing participant in the pattern of racketeering activity and criminal enterprise complained of. Khalil received "loans" of over $150 million from BCCI without submitting any financial statement, posting any security, paying any interest, or signing any promissory notes and at one point having no formal contact with BCCI for over three years. In fact, these were largely illegal transfers of monies (BCCI deposits) to Khalil personally – or to his associates – without any consideration and these ill-gotten gains were split with Abedi and other co-conspirators;

(ii) The ruling family of Abu Dhabi – Sheikh Zayed al-Nahayan and Sheikh al-Maktum before him – have also taken huge "loans" from BCCI for their personal use without providing adequate documentation, collateral, or even signing promissory notes. Over $125 million in such "loans" were extended to Sheikh al-Maktum before he died and Sheikh Zayed al-Nahayan has treated BCCI as his private "piggy bank" thereafter; for instance, by providing himself with $127 million in "overdraft" protection;

(iii) Defendant Adham is a Saudi "businessman" who was an active and knowing participant in the pattern of racketeering activity and criminal enterprise complained of. Sheikh Adham received "loans" of over $313 million from BCCI without submitting any financial statement, posting any security, paying any interest, or signing any promissory notes and at one point having no formal contact with BCCI for over three years. In fact, these were largely illegal transfers of monies (BCCI deposits) to Adham personally – or his associates – without any consideration and these ill-gotten gains were split with Abedi and other co-conspirators;

(iv) Defendant al-Fulaij obtained over $148 million in "loans" from BCCI which were not for any valid business purpose and on which he paid little, if any, interest and which were not evidenced by any loan agreements, notes, or valid security. In fact, these were largely illegal transfers of monies (BCCI deposits) to al-Fulaij personally – or his associates – without any consideration and these ill-gotten gains were split with defendant Abedi and other co-conspirators; and

(v) Defendant Pharaon obtained over $315 million in "loans" from BCCI, many of which were not for any valid business purpose, on which interest was not paid, most of which were ill-secured and inadequately documented and, in many cases, for which there were no valid promissory notes. In fact, large portions of these loans were largely illegal transfers of monies (BCCI deposits) to Pharaon personally – or his associates – without any consideration and these ill-gotten gains were split with Abedi and other co-conspirators. Defendant Pharaon has a residence in Georgia and operates in the United States through a complex web of owned and controlled entities which are his agents/alter egos. The purpose of Pharaon's method of operation and organization was to conceal his involvement in many transactions in the United States and to insulate and conceal his assets from his creditors. A partial outline of Pharaon's complex of companies is set forth on the following page with each one's state or locale of incorporation indicated. Each of the companies named in this chart and identified with an asterisk is named as a defendant herein, because they are vehicles and instrumentalities of Pharaon's operations and wrongdoing, as well as his agents and alter egos.

(d) As detailed in the following chart, the following entities are owned or controlled, directly or indirectly, by defendant Pharaon and they served as his agents or alter egos, or were the vehicles or instumentalities through which he carried out at least a portion of the pattern of racketeering activity alleged herein:

(i) Concorde Finance & Investments ("Concorde"), a Delaware holding company with its principal

place of business located at Pharaon's Sterling Bluff Plantation in Richmond Hill, Georgia, which is 100% owned by GRP Investments, N.V. ("GRP"), a Netherland Antilles company;

(ii) InterRedec, Inc. ("InterRedec"), a Delaware subsidiary of Concorde with its principal place of business located at Pharaon's above-referenced Georgia plantation;

(iii) GRP, Inc., a Georgia holding company with its principal place of business located at Pharaon's Georgia plantation and which was owned by Pharaon;

(iv) NBG Financial Corporation ("NBGFC"), a Georgia corporation owned by Pharaon. At various times, both GRP, Inc. and NBGFC served as holding companies for NBG;

(v) InterRedec (Georgia) Limited ("IGL"), a Bahamian company which at times owned NBGFC;

(vi) InterRedec (Georgia) N.V., a Netherlands Antilles corporation which at times owned NBGFC;

(vii) River Oaks, Inc., a New York insurance holding company controlled by Pharaon;

(viii) River Oaks Investments, Inc., a Georgia corporation and a subsidiary of InterRedec which maintains its principal place of business at Pharaon's Georgia plantation; and

(ix) Sterling Bluff, Inc., a Georgia corporation and a subsidiary of InterRedec which maintains its principal place of business at Pharaon's Georgia plantation.

26. At all times pertinent hereto, Abedi, Naqvi, al-Nahayan, Lamarche, van Oenen, al-Mazrui, Hartmann, Twitchin, Shafi, Abu Dhabi, Abu Dhabi Investment/ Finance and Iqbal were controlling persons of the BCCI Banks and were in a position to control and did control their business and affairs.

27. Defendant Manuel Noriega ("Noriega") was the dictator of Panama for many years who, utilizing BCCI, looted his nation's treasury of millions of dollars and accepted, transferred to Europe and secreted huge bribes from Colombian and other drug traffickers in return for assisting them in illegally smuggling narcotics into the United States. Noriega is now in federal custody in the United States, where he has been indicted and presently stands trial for violating RICO. Noriega is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein; and

(iii) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

28. (a) Defendant Price Waterhouse & Co. ("Price Waterhouse") is a worldwide partnership of licensed professional accountants, headquartered in New York City, which has major offices located in many cities in the United States (including several offices in California), as well as many countries around the world. In holding itself out to the public as a single, unified firm and in signing its opinions on BCCI's financial statements, Price Waterhouse used only the name "Price Waterhouse," without identifying any constituent unit or partnership.

(b) Price Waterhouse holds itself out to the public as one unified worldwide firm. In a 1991 brochure (Exhibit 1) used to recruit employees and entitled "Price Waterhouse: An Investment In Your Future," Price Waterhouse represented:

> In the United States, Price Waterhouse comprises some 13,000 personnel, including nearly 1,000 partners. Our 115 offices are located in most major cities and metropolitan areas (see insert on back cover). The breadth and depth of our network give you broad latitude in determining where you would like to begin and pursue your career.
>
> Internationally, Price Waterhouse began serving companies doing business overseas decades before some of today's major professional services firms were even formed. Outside the United States, the worldwide organization of Price Waterhouse firms has 33,000 people serving many of the world's most prestigious companies in business and industry through a global network of 450 offices in 111 countries.

The brochure includes a world map that "shows U.S. offices . . . along with a sampling of Price Waterhouse's 450 world wide offices" and designated the United Kingdom and Luxembourg as such offices.

(c) The brochure also informs potential employees that (i) "You may have the opportunity to participate in a tour of duty to New York or Washington, D.C. or elsewhere in the world – perhaps London"; (ii) "Your participation gives you the opportunity to meet hundreds of your colleagues from other Price Waterhouse offices in the United States, as well as overseas, helping you build lasting relationships both here and abroad"; (iii) "Another benefit from your career at Price Waterhouse is your opportunity to participate in our U.S. and international tour of duty programs. . . . [I]f you are interested in working overseas, Price Waterhouse has one of the most extensive international tour programs available in the profession. At any given time, more than 100 U.S. managers are stationed on overseas tours. Recent destinations include the United Kingdom." As an example of the firm's "world practice," the brochure describes a young Price Waterhouse associate who had an overseas tour of duty for "two years in London, working in the firm's financial services industry practice" where his clients included large international banks.

(d) The Price Waterhouse partnership is comprised of numerous partnerships in separate countries, *e.g.*, defendant Price Waterhouse/US (headquartered in the United States), defendant Price Waterhouse/UK (headquartered in London) and defendant Price Waterhouse/Luxembourg (headquartered in Luxembourg), three of the constituent Price Waterhouse partnerships

which were actively involved with BCCI. Price Waterhouse's worldwide organization and practice, including its involvement with BCCI, is overseen and coordinated by PW World Organization and Price Waterhouse World Firm Limited, both of which are headquartered in New York City.

(e) The overall Price Waterhouse worldwide firm, through several of its units, including defendants Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/Luxembourg, served as auditors and advisors to the BCCI Banks for many years. Because of the worldwide scope of BCCI's operations, Price Waterhouse's auditing and advisory work for BCCI was performed on a worldwide, coordinated basis – using several Price Waterhouse units – including Price Waterhouse/UK and Price Waterhouse/Luxembourg, which performed significant audit work on the BCCI account and Price Waterhouse/US, which performed substantial audit and regulatory compliance work for Price Waterhouse/UK at the direction of Price Waterhouse/UK, and as its agent on the BCCI account and Price Waterhouse/US, which performed substantial audit and regulatory compliance work for BCCI and its United States agencies, and which coordinated the work done by Price Waterhouse partners based in Caribbean countries, including Grand Cayman, on the BCCI account with Price Waterhouse/UK through Price Waterhouse/US partners, defendants Andrew Nolan ("Nolan") and Martin Baumann ("Baumann"). Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg were and are agents of one another.

(f) Defendants Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg were engaged by the BCCI Banks to provide "indepe dent" auditing, accounting and management consulting services, tax services, examination and/or review of filings with various regulatory agencies (including, without limitation, certifying the BCCI/US agencies' compliance with a consent decree entered into with U.S. banking regulators as part of the BCCI settlement of criminal money-laundering charges brought against BCCI by the Justice Department in Tampa, Florida), audits and/or reviews of financial statements, including audited and unaudited financial information and cost control consulting for which they received large fees, exceeding $4 million per year in recent years. Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg were engaged to and did in fact perform such services with the knowledge and intent that such financial statements would be presented to governmental agencies, members of the financial community, as well as other banks and depositors, and that without such certified statements the BCCI Banks would be unable to continue to operate and obtain deposits.

(g) As a result of the myriad of services they rendered to the BCCI Banks, Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg personnel were present at the BCCI Banks' offices in the United States, the United Kingdom and Luxembourg frequently and had continual access to and knowledge of the BCCI Banks' private and confidential corporate financial and business information and, thus, knew or recklessly disregarded the illegal, fraudulent and criminal

conduct alleged herein, including the BCCI Banks' adverse financial condition, illegal activities, improper accounting and business problems which were knowingly concealed from government agencies and the public. Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg also assisted the BCCI Banks in deceiving federal and state regulators in the United States and in other jurisdictions. Defendants Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg, operating on a coordinated basis, audited BCCI's financial statements for 1987, 1988 and 1989 and, using the name "Price Waterhouse," represented that they had audited the BCCI Banks in accordance with appropriate standards and issued unqualified opinions and certifications with respect thereto that the financial statements were "true and fair" in 1987 and 1989, with a qualification in 1988 relating only to a Florida drug investigation, which was later removed.

(h) Among the purposes of such examinations and audits is to provide regulators with accurate information to enable them to perform their oversight function in a proper and timely fashion and the protection of depositors and, accordingly, Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg were required during those years to examine such areas as, *inter alia*, the value and quality of assets, the adequacy of capital, management ability, internal financing, accounting and lending controls, management information systems, related party transactions and future earnings ability and to assure that the BCCI Banks were fit and proper to operate and that their financial statements were

presented fairly and consistently in accordance with applicable accounting standards.

(i) In 1984-1985, BCCI's treasury operations, which were then being run by defendant Akbar, "lost" over $500 million in currency trading. A substantial part of those losses were, in fact, BCCI deposits being siphoned off to BCCI insiders through Capcom. Akbar then left BCCI to run Capcom, receiving in the process a $30+ million payoff from BCCI to keep quiet about BCCI's illegal practices. As a result, BCCI thus needed a new head of its treasury operations; however, it wanted to hire such a person confidentially to lessen the chance of any exposure of the horrible losses which its treasury operations had suffered and which it and Ernst & Young/UK and Price Waterhouse/UK were covering up by falsifying BCCI's 1985, 1986 and 1987 financial statements. Price Waterhouse cooperated with BCCI in this regard, running an advertisement in its name in August, 1987, seeking a new treasury department head for BCCI without disclosing that it was acting on behalf of BCCI and in helping BCCI hire a replacement head. Price Waterhouse proceeded to audit that BCCI department in 1988-1989, a clear violation of its duty of independence.

(j) Price Waterhouse/UK and Price Waterhouse/US also audited the financial condition and statements of the ICIC Foundation, a Cayman Island-based entity which was part of the "black box" operations of BCCI in Grand Cayman. Copies of the audit reports on ICIC Foundation's financial statements for the years ended December 31, 1986, 1987, 1988 and 1989, respectively, are attached hereto as Exhibit 9. The principal asset of the ICIC Foundation was an "unquoted investment" in

5,160,451 shares of BCCI Holdings Luxembourg, S.A., which the directors of ICIC had valued at $40 per share, giving that investment a claimed value of something in excess of US $200 million. Price Waterhouse/UK gave the ICIC Foundation's financial statements a clean opinion for the year ended December 31, 1987. For the years ended December 31, 1988 and December 31, 1989, however, in these private financial statements and opinions thereon, which were not distributed to the public, Price Waterhouse/UK qualified its opinion on the ICIC Foundation's financial statements, stating that it was "unable to satisfy themselves on the appropriateness of the directors' valuation of the company's investment in BCCI." The reason why Price Waterhouse/UK was unable to satisfy itself as to the directors' valuation of BCCI shares was that based upon Price Waterhouse/UK's knowledge of the misleading nature of BCCI's financial statements, its phony financial transactions and the undisclosed material adverse information about the way it was conducting its business, as specified in ¶¶296-307 and 308(a)-(p) hereof, Price Waterhouse/UK knew that a valuation of $40 per share for the BCCI stock could not be justified. While Price Waterhouse/UK was qualifying these private, non-public financial statements of ICIC Foundation due to its inability to justify the valuation placed on BCCI stock as a result of the falsity of its financial statements, it was nevertheless issuing unqualified clean opinions on BCCI's financial statements which were being distributed to government regulators and the public and which indicated a value of BCCI shares of at least $50 per share.

(k) Price Waterhouse/US audited the separate financial statements of BCCI's New York, Los Angeles and San Francisco agencies for the year ended December 31, 1987. These Price Waterhouse/US audit reports falsely reported that the financial statements of those agencies were audited by Price Waterhouse/US in accordance with Generally Accepted Auditing Standards ("GAAS") and that the financial statements of the BCCI agencies were presented in accordance with Generally Accepted Accounting Principles ("GAAP"). In fact, Price Waterhouse/US knew that BCCI's United States agencies did not establish or maintain any general loan loss required by GAAP, despite the fact that these agencies had made hundreds of millions in loans.

(l) The Price Waterhouse/US audit reports of these agencies for the year ended December 31, 1988, reported that BCCI's financial statements and Price Waterhouse's audits were "prepared solely to enable preparations of whole-company financial statements." In fact, the Price Waterhouse engagement letters of October, 1988, had provided that Price Waterhouse would conduct audits "unqualified in scope" of each agency, but the scope of the audit reports were changed (narrowed) after Price Waterhouse staff learned of material adverse information affecting the BCCI agencies including, without limitation (i) problem loans that were non-performing; (ii) written notice by BCCI regulatory counsel that the BCCI agencies had been subjected to extensive examination by the FRB and New York and California regulators and had been advised by various representatives of such banking agencies that some enforcement actions would be taken; and (iii) that the BCCI agencies, consistent with

the policies of the BCCI Central Support Organization, had not established any general loan loss reserves for the U.S. agencies, although they were required to do so by GAAP and sound banking practices. In addition, Price Waterhouse/US knew that the California State Examiner's Report had concluded that the overall condition of BCCI's California agencies was *"unsatisfactory"* as of January 31, 1989. Price Waterhouse reported the *"unsatisfactory"* condition of BCCI's California agencies to Price Waterhouse/UK through a memo from Price Waterhouse/US partner R.M. Fitzgerald to Price Waterhouse partners C.I. Cowan and his colleague S.J. Chapman of Price Waterhouse's London office. Price Waterhouse/US acted under the instructions of Price Waterhouse/UK as its agent in actively assisting the continuing fraud on the U.S. regulatory authorities committed by BCCI through the issuance of false and materially misleading and incomplete audit reports for BCCI's U.S. agencies and by actively counseling BCCI on the utilization of accounting artifices designed to conceal material adverse information from United States regulators and BCCI depositors.

(m) Because Price Waterhouse is, in fact, a worldwide partnership and/or so holds itself out to the public, it is liable to plaintiffs for its acts, and the acts of its constituent units alleged herein. Alternatively, to the extent that Price Waterhouse's purported individual country or regional partnerships are, in fact, separate legal entities, then each of those entities (and all of the partners thereof) are liable to plaintiffs based on the allegations of wrongdoing contained herein as to each purported separate partnership and because in acting in the way they did as alleged herein, they were each acting

as an agent for the other. Defendant Nolan is a partner in Price Waterhouse; Price Waterhouse/US. Defendant Baumann is a United States citizen and resident and partner in Price Waterhouse/US. Defendant Robert R. Bench ("Bench") is a partner in Price Waterhouse/US. Defendant Christopher Cowan ("Cowan") is a partner in Price Waterhouse/UK. Defendants Nolan, Baumann, Bench and Cowan were very actively involved in the work which Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/Luxembourg performed for the BCCI Banks and each had knowledge of the undisclosed adverse information about BCCI specified at ¶29(a)-(ao) hereof, the falsity of BCCI's financial statements and Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/Luxembourg opinions thereon. Defendants Nolan, Baumann, Bench and Cowan worked together to coordinate the Price Waterhouse entities' audits of BCCI for several years. For instance, defendant Bench was vice chairman of the international banking group at Price Waterhouse, of which BCCI was one of the largest clients. Every Price Waterhouse/US office in a city where BCCI had an agency office in the United States, acting under the overall supervision of Nolan and Baumann, participated in the BCCI audits during 1987-1989. In November, 1989, Cowan, Nolan and other Price Waterhouse, Price Waterhouse/US and Price Waterhouse/UK personnel met with Naqvi and other BCCI personnel in New York for two days to thoroughly review BCCI's operations in the United States. Later in 1989, these same persons met in London as part of the Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK and Price Waterhouse/

Luxembourg joint effort to put together BCCI's 1989 financial statements without revealing BCCI's illegal operations or huge capital deficit. Nolan, Baumann and Cowan (along with top BCCI officers) also met with FRB officials in late 1988 and 1989 and falsely told them that BCCI was not conducting any full service banking operations in the United States and that certain suspicious wire transfers of monies were legitimate transactions. Also, Price Waterhouse/US learned while doing audit work on BCCI's operations in the U.S. that BCCI had not established any general loan loss reserves for the hundreds of millions of dollars in loans made via BCCI's U.S. agency offices, which materially inflated BCCI's financial results as publicly reported. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) In the case of the Price Waterhouse entity defendants, used or invested income they received from their participation in the pattern of racketeering activity complained of herein to assist in the operation of the association-in-fact enterprise; and

(iv) By the pattern of racketeering activity complained of herein, acting conducted or participated

they directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(n) Defendant Ernst & Young ("Ernst & Young") is a worldwide partnership of licensed professional accountants, headquartered in New York City, which has major offices in many cities located in the United States (including several offices in California), and in many countries around the world. In holding itself out to the public and in signing its opinions on BCCI's financial statements, Ernst & Young used only the name "Ernst & Young," without identifying any constituent unit or partnership. The Ernst & Young partnership is comprised of numerous partnerships in separate countries, *e.g.*, defendant Ernst & Young/US (headquartered in the United States), defendant Ernst & Young/UK (headquartered in London), defendant Ernst & Young/Luxembourg (headquartered in Luxembourg) – three of the constituent Ernst & Young partnerships which were actively involved with BCCI. Ernst & Young's worldwide organization and practice, including its involvement with BCCI, is overseen and coordinated from its headquarters in Cleveland, Ohio.

(o) Ernst & Young holds itself out to the public as a unified, world-wide enterprise. In a brochure published and circulated by Ernst & Young entitled "Ernst & Young – The Leaders' Choice" (Exhibit 2 hereto), Ernst & Young described itself as "the world's leading integrated professional services firm" which "is the auditor of 25 percent of the 1,000 largest global companies" and further represented:

When you join Ernst & Young, you join a global leader. We know that our continued leadership rests on understanding the complex issues raised by today's rapidly changing world, especially in Europe, the Far East, and North America. Our firm's global resources allow us to help clients capitalize on opportunities anywhere in the world.

* * *

The map of Europe is changing, and global business strategies will be altered forever. With over 25,000 people in Europe, Ernst & Young is well-equipped to help clients capitalize on the opportunities of a unified European marketplace.

Our clients are increasingly looking beyond 1992 in Europe. Ernst & Young, with 230 offices in Europe, is well-positioned to help clients with mergers and acquisitions, joint ventures, site selections, and operating strategies.

* * *

As a global professional services firm, we offer extensive career choices. Our growing international practice provides exciting opportunities for our professsionals, [sic] both now and in the years to come.

The brochure also contained a list of "Our Offices Worldwide," which included Ernst & Young's offices in Luxembourg, the United Kingdom and the United States. The brochure also listed "Ernst & Young Facts," which included the following chart:

Worldwide 1990

Revenue (in millions) $5,006

Partners 5,595

Total Personnel 67,200

Number of Countries with E&Y Offices 107

Number of Offices Worldwide 642

(p) The overall Ernst & Young worldwide firm, through several of its units, including Ernst & Young/US, Ernst & Young/UK and Ernst & Young/Luxembourg, served as auditors and advisors to the BCCI Banks for many years. Because of the world-wide scope of BCCI's operations, Ernst & Young's auditing and advisory work for BCCI was performed on a worldwide, coordinated basis, using several Ernst & Young units, including Ernst & Young/UK and Ernst & Young/Luxembourg, which performed significant audit work on the BCCI account, and Ernst & Young/US, which performed substantial audit and regulatory compliance work for BCCI and its United States agencies, and which oversaw and coordinated the work done by Ernst & Young partners based in Caribbean countries, including Grand Cayman, on the BCCI account. Defendants Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg were engaged by the BCCI Banks to provide "independent" auditing, accounting and management consulting services, tax services, examination and/or review of filings with various regulatory agencies, audits and/or reviews of financial statements, including audited and unaudited financial information and cost control consulting for which they received large fees. Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg were and

are the agents of one another. Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg were engaged to and did in fact perform such services with the knowledge and intent that such financial statements would be presented to governmental agencies and members of the financial community, as well as to other banks and depositors, and that without such certified statements the BCCI Banks would be unable to continue to operate and obtain deposits.

(q) As a result of the myriad of services they rendered to the BCCI Banks, Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg personnel were present at the BCCI Banks' offices in the United States, the United Kingdom and Luxembourg frequently and had continual access to and knowledge of the BCCI Banks' private and confidential corporate financial and business information and, thus, knew or recklessly disregarded the illegal, fraudulent and criminal conduct alleged herein, including the BCCI Banks' adverse financial condition, illegal activities, improper accounting and business problems which were knowingly concealed from the government and public. Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg also assisted the BCCI Banks in deceiving federal and state regulators in the United States and in other jurisdictions.

(r) In the years prior to 1987, using the name of its predecessor Ernst & Whinney, Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg audited BCCI's financial statements, represented that it had audited the BCCI Banks in accordance with appropriate standards and issued unqualified opinions and certifications year after year that the statements were "true

and fair." Among the purposes of such examinations and audits is to provide regulators with accurate information so as to enable them to perform their oversight function in a proper and timely fashion and the protection of depositors and, accordingly, Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg were required during those years to examine such areas as, *inter alia*, the value and quality of assets, adequacy of capital, management ability, internal financing, accounting and lending controls, management information systems, related party transactions and future earnings ability and to assure that the BCCI Banks were fit and proper to operate and their financial statements were presented fairly and consistently in accordance with applicable accounting standards. Because Ernst & Young is, in fact, a worldwide partnership and/or so holds itself out to the public, it is liable to plaintiffs for its acts (and the acts of its constituent units) as alleged herein. Alternatively, to the extent that Ernst & Young's purported individual country or regional partnerships are, in fact, separate legal entities, each of those entities (and all of the partners thereof) are liable to plaintiffs based on the allegations of wrongdoing contained herein as to each purported separate partnership and because in acting the way they did as alleged herein, they were each acting as an agent for the other. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of herein to assist in the operation of the association-in-fact enterprise; and

(iv) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

29. Credit and Commerce American Holdings N.V./ Credit & Commerce American Investment B.V. (collectively "CCAI," "CCHA" or "CCAH") is a holding company that controlled defendant First American Corp., a bank holding company that controlled defendant First American, a corporation which controls and operates the following banks:

(a) First American Bank of Maryland, Silver Spring, Maryland, state bank, started in 1955, 100% owned;

(b) First American Bank of Virginia, McLean, Virginia, state bank, started in 1959, 100% owned;

(c) Valley Fidelity Bank and Trust Company, Knoxville, Tennessee, state bank, started 1942, 100% owned;

(d) First American Bank of New York ("FABNY"), New York, New York, state bank, started in 1942, 100% owned;

(e) First American Data Services Inc., Reston, Virginia, provides bank services, started in 1975, 100% owned;

(f) National Mortgage Corporation, Washington, D.C., mortgage bankers, started in 1963, 100% owned;

(g) First American Bank of Georgia, N.A., Atlanta, Georgia, national bank, started in 1911, 100% owned;

(h) First American Bank of Pensacola, N.A., Pensacola, Florida, national bank, started in 1986, 100% owned;

(i) First American International Bank, Miami, Florida, agreement corporation, started in 1982, 100% owned;

(j) First Advantage Mortgage Corporation, Columbia, Maryland, mortgage banking, started in 1988, 100% owned; and

(k) First American Bank, N.A. of Washington, Washington, D.C., national bank, started in 1982, 100% owned.

The First American Bank companies were instrumentalities by which the BCCI Banks and the other defendants pursued their wrongful course of criminal conduct, *i.e.*, their pattern of racketeering activity. This defendant is liable under § 1962 of RICO because it:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in

committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein; and

(iii) By the pattern of racketeering activity complained of herein, it conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

30. The individual defendants listed below are all United States citizens and residents who held the positions indicated with First American and CCHA during the relevant time period:

INDIVIDUAL DEFENDANT	FIRST AMERICAN CORP.	FIRST AMERICAN BANK SHARES INC.	CREDIT & COMMERCE HOLDINGS/ INVESTMENT
Clark M. Clifford	Chairman of Board	Chairman of Board	Chairman of Board
Robert Altman	President Director	—	Director
A. Vincent Scoffone	Treasurer Director	Sr. V.P., Treasurer, Director	Director
Jack Beddow		President, CEO, Director	Director
Paul G. Adams, III		EVP, CFO, Director	Director

Each of these individuals actively and knowingly participated in the pattern of racketeering activity complained of by, *inter alia*, assisting BCCI in illegally infiltrating the United States banking industry, covering up and concealing the ongoing operation of the conspiracy and by causing or permitting First American Bank to make loans to prominent political figures on very generous terms to further BCCI's political influence in the United States. Defendants Clifford and Altman oversaw all of the BCCI Banks' activities in the United States, including their secret and illegal infiltration of the United States banking industry, and continuously misrepresented the relationship between BCCI and First American to federal and state bank regulators and other government agencies. During 1978-1990, Clifford traveled to London approximately once a month to meet with Abedi and Naqvi and receive instruction from them regarding BCCI's operations in the United States and up to 1988 Abedi came to New York or Washington, D.C., once a month to meet with Clifford (and often Altman) for the same purpose. Once per quarter, defendants Clifford and Altman travelled to London or other locations to meet with defendants Abedi, Naqvi and other top BCCI officers and operators to receive instruction as to how the BCCI Banks in the United States (including First American) were to be operated and how the conspiracy and racketeering enterprise was to be continued. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly they acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

31. (a) Defendant T. Bertram (Bert) Lance ("Lance") is a United States citizen and resident who played an active and knowing role in the pattern of racketeering activity complained of. In 1975, Lance became the President and CEO of the National Bank of Georgia ("NBG") and shortly thereafter obtained ownership control of NBG, the largest bank in Georgia. In 1976, Lance took a position in Washington, D.C., with the federal government, from which he "resigned" in 1977 and, as a result of his prior misconduct while he controlled NBG, was barred for the rest of his life from acting as an employee, officer, or director of or directly or indirectly participating in the affairs of a federally-insured bank and fined $50,000. Upon these revelations, Lance's stock

in NBG fell sharply to a value less than the amount of loans he had secured based on that stock, placing Lance in a severe personal financial crisis. In 1977, however, Lance sold his NBG stock to BCCI (with Pharaon acting as its strawman/agent) for a price far in excess of its market value, thus partially bailing Lance out of his financial predicament. BCCI also hired Lance as its "consultant" at a very large annual fee and arranged to repay Lance's $3.5 million debt to the First National Bank of Chicago in return for his help in overseeing BCCI's control of NBG and assisting BCCI to gain control of First American. Bank of America executive Carlson, who was BankAmerica's representative on BCCI's Board of Directors and/or oversaw its investment in BCCI, then became president of NBG in order to protect BCCI's investments and carry out its instructions so the conspiracy could continue. In 1977, with Lance's and Clifford's assistance, BCCI, acting through various nominees and agents, including Adham, Sheikh al-Nahayan's son, Abdullah Darwaish ("Darwaish") and al-Fulaij, began to buy the shares of First American Bankshares and by February, 1988, BCCI owned 20% of those shares. When the illegal conduct in acting as an undisclosed group was discovered by the Securities and Exchange Commission ("SEC"), First American sued BCCI and its nominees to halt the takeover attempt. BCCI also learned that, due to its structure, location and methods of operation, United States banking authorities would not permit it to acquire First American. The SEC suit was later resolved via a consent decree and the First American suit by a settlement involving the supposed purchase of First American by clients of BCCI, which purchase was, in fact, made by

BCCI itself acting through agents and strawmen, as detailed herein. This defendant is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein; and

(iii) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(b) Defendant David L. Paul ("Paul") was the Chairman and CEO of CenTrust Savings Bank, which was secretly controlled by BCCI through Pharaon. Paul operated CenTrust in violation of United States laws regarding savings banks and contrary to all standards of proper banking practices, while wasting and/or looting its deposits on his own lavish personal lifestyle and illegal political contributions. Paul was sued for over $30 million for his waste and looting of CenTrust's deposits and has also been fined or assessed a criminal penalty exceeding $3.1 million. This defendant, who has already defaulted in this case, is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in

committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

32. (a) Defendant Clifford & Warnke is a Washington, D.C.-based partnership and law firm. Defendants Clifford and Altman are partners in Clifford & Warnke. In addition, Clifford and Altman were the managing partners and agents of Clifford & Warnke and were, at all times material hereto, in charge of the BCCI/First American accounts and acted in part to retain and service those accounts. Clifford & Warnke, acting through its partners and employees, served as counsel to the BCCI Banks, its nominees and the First American Banks for many years at the same time and while Clifford and Altman were on the First American Board of Directors and running that bank, in a serious conflict of interest. Clifford and Altman were also, in fact, secret agents for and co-conspirators with BCCI in obtaining and exercising control of First American and, in this regard, they attended meetings of the BCCI Group in Europe and elsewhere to receive indoctrination and direction to carry out BCCI activities. Clifford & Warnke received over $1 million per year during the 1980's from BCCI alone for protecting its interests in the United States. Clifford & Warnke is a full-service law

firm with considerable expertise in banking and corporate matters and which has provided, *inter alia*, significant legal services to the BCCI Banks, its nominees and First American, including acting as the advisor on BCCI's secret infiltration of the United States banking system via its acquisition of First American, NBG, CenTrust and Independence Bank, assisting them in various false filings with the FRB and other governmental agencies, assisting in formulating public statements on behalf of them and representing them in regulatory matters that permitted the BCCI Banks to violate United States law and then cover it up. Clifford & Warnke also orchestrated the defense of the federal criminal money-laundering charges against BCCI and certain of its employees in Florida and helped to arrange the disposition of the charges in a fashion that arguably barred all later criminal charges against BCCI, in part by controlling and disbursing over $30 million in fees to investigators, experts, accountants and lawyers through First American. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of herein to assist in the

operation of the BCCI criminal enterprise or the association-in-fact enterprise and to acquire and/or maintain an interest in the BCCI enterprise; and

(iv) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(b) Defendants Paul C. Warnke ("Warnke"), John F. Kovin ("Kovin"), David I. Granger ("Granger"), Harold D. Murry, Jr. ("Murry"), John G. Calender ("Calender"), J. Griffin Lesher ("Lesher"), Bryan Jay Yolles ("Yolles"), Robert P. Reznick ("Resnick"), Philip H. Hecht ("Hecht") and James C. Duff ("Duff") are each individuals who are United States citizens and who reside in or around Washington, D.C. During the relevant time period, each of these individuals was a partner in the law firm of Clifford & Warnke and each was held out to the public as a partner thereof and, thus, received and benefited from income from the pattern of racketeering activity complained of herein. In late 1991, after exposure of the BCCI scandal and after this lawsuit was first filed, Clifford & Warnke dissolved as a partnership. That dissolution was undertaken by these individuals in an effort to avoid their legal responsibility under RICO and applicable partnership law for the liability of defendants Clifford and Altman and Clifford & Warnke as alleged herein. As partners of defendants Clifford and Altman and Clifford & Warnke, each of these defendants is liable, as a matter of law, for the wrongdoing complained of herein. In addition, in their capacities as Clifford & Warnke partners, several of these defendants actively and knowingly

assisted the BCCI criminal enterprise in committing the pattern of racketeering activity complained of herein.

33. Defendants BankAmerica Corp. ("BankAmerica") and its subsidiary, Bank America NT&SA ("the Bank") (collectively "Bank of America") are a bank holding company and a bank, respectively. Defendant BankAmerica is a bank holding company organized under the laws of Delaware. The company's wholly-owned subsidiary, Bank of America NT&SA, accounts for substantially all of the company's consolidated assets and net income. BankAmerica and the Bank maintain headquarters in San Francisco and Los Angeles, California. The company's non-bank subsidiaries provide investment, financial, stock transfer and other related corporate agency services, credit life and disability insurance, mortgage banking services and industrial loan services. With headquarters in San Francisco and Los Angeles, BankAmerica is engaged in general commercial banking and also offers international banking services through offices in San Francisco, Los Angeles and elsewhere. In 1972, BankAmerica was a co-founder of BCCI, obtaining a 25% interest for $500,000 (later increased to 30%). In addition to owning 25% of BCCI itself, BankAmerica loaned millions to others over the years to permit them to buy over 40% of BCCI's stock, thus controlling over 60% of shares. BankAmerica placed a director on the BCCI Board, its employee and agent, Al Rice, who served as a BCCI director until BankAmerica purportedly "sold" its interest in 1980. As a director of BCCI, Rice was aware of the pattern of racketeering activity complained of herein. Roy Carlson ("Carlson") was also a Bank of America employee and agent who oversaw its investment in BCCI

and became president of the NBG in 1977 or 1978 when BCCI secretly and illegally obtained control of the NBG, thus assisting in the operation of the BCCI Banks' criminal enterprise in the United States. From 1972 until 1980, when it purportedly "sold" its interest in BCCI, BankAmerica was a controlling person of BCCI and was in a position to and did influence and control and direct its activities. However, BankAmerica's purported "sale" of its interest in BCCI in 1980 was not a real sale to an independent party. In fact, BankAmerica's interest in BCCI was purportedly transferred to ICIC, an entity which was closely related to and/or controlled by BCCI, in a non-arm's length transaction whereby BankAmerica "loaned" the money to ICIC to enable it to purchase its interest's in BCCI. Thus, BankAmerica invested about $5 million in BCCI and "sold" its interest in the Bank in 1978-1980, recognizing a $27+ million profit, on a non-arm's length transaction. The huge profit BankAmerica made on its investment in BCCI in a short time was a direct result of BCCI's illegal activities and was intended to compensate BankAmerica for purportedly removing itself from ownership of BCCI and to make sure BankAmerica would not reveal what it knew about BCCI's past and ongoing racketeering activities. During the 1970's, BankAmerica provided important executive talent to BCCI – including defendants Lamarche, van Oenen and Twitchin – who were employed by it as executives and later directors. In 1976, BankAmerica also made its employee, Robert Frick, the full-time Chief Administrative Officer of BCCI, a job he performed in part while working out of BankAmerica's offices. BankAmerica

additionally controlled BCCI by imposing stringent capital and budget rations on it and prohibiting it for some years from raising any new capital, which restraints the BCCI Board of Directors – which BankAmerica dominated – enforced. In addition, the former BankAmerica officers who became directors of BCCI acted on BankAmerica's behalf and reported to it. Defendant Twitchin specifically approved all BCCI credits over $5 million and watched BCCI's risk assets on a daily basis. To help BCCI bribe important Pakistani officials, in 1978, BankAmerica hired Ijaz, the son of General Zia of Pakistan, even though he was completely unqualified for the position. BankAmerica was aware of the illegal conduct of the BCCI Banks from 1972 to 1978 and purportedly sold out its position in 1978 at a profit, but did not disclose any of what it knew or had done or participated in, nor did it withdraw from the conspiracy, even though it knew BCCI was going to continue and indeed expand its racketeering activities, including illegally infiltrating the United States banking system. In fact, one of the reasons that BankAmerica "sold" its interest in BCCI in 1978-1980 was to help BCCI try to take over First American, which could not occur so long as BankAmerica (which was itself a bank holding company) owned part of BCCI. In "selling" its BCCI shares for a $27+ million profit in just six to eight years, BankAmerica was being rewarded in order to advance the overall object of the conspiracy, as it was believed at that time that if BankAmerica was removed as an owner of BCCI it would be possible for BCCI to purchase a large American bank holding company – something it could not do if one of its owners was – as BankAmerica was – already a bank holding company. In

fact, in 1990 – years after BankAmerica supposedly sold off its interest in BCCI – of the seven directors on BCCI's Board of Directors, three were former executives of BankAmerica, *i.e.*, defendants Lamarche, van Oenen and Twitchin. Subsequent to 1978, BankAmerica has continued to conspire with and aid and abet BCCI by various means, in addition to concealing BCCI's wrongdoing, by serving as a conduit for BCCI to illegally accept deposits in the United States, and as a depository for huge amounts of BCCI funds – over $175 million in 1991 – and by facilitating other transactions and currency transfers with it, including guaranteeing BCCI's letters of credit for large fees and aiding it in making monetary transfers which assisted defendant Pharaon and BCCI to conceal BCCI's illegal control and ownership of Independence Bank. BankAmerica's "sale" of its BCCI stock in 1978 was not a real sale because the "sale" was to ICIC, a BCCI-controlled entity located in Grand Cayman, and BankAmerica provided the money to ICIC to make the "purchase." After this purported sale, BankAmerica was compensated by BCCI for its continuing interest in BCCI engaging in, on a daily basis, the overnight funds market to borrow up to $1 billion daily, paying premium interest rates for the money and then depositing the money with BankAmerica on terms profitable to BankAmerica. This defendant is liable under § 1962 of RICO because it:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the

other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which it received from its participation in the pattern of racketeering activity complained of herein to assist in the operation of the BCCI criminal enterprise or the association-in-fact enterprise;

(iv) Through the pattern of racketeering activity complained of herein, acting directly or indirectly, it acquired or maintained an interest in the BCCI criminal enterprise or the association-in-fact enterprise; and

(v) By the pattern of racketeering activity complained of herein, it conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

34. Defendant Independence Bank is a bank with over $670 million in assets located in Encino, California, which was illegally owned and controlled by BCCI through secret arrangements with defendant Pharaon and was used by them as an instrumentality to further the conspiracy and pattern of racketeering activity complained of. Defendant Fulvio Dobrich ("Dobrich"), a United States citizen and a resident of California, was the CEO of Independence Bank and defendant Kemal Shoaib ("Shoaib"), a former BCCI executive, was the Chairman of the Board of Directors of Independence Bank, who both actively and knowingly participated in the conspiracy and pattern of racketeering activity complained of herein. Independence Bank, Dobrich and Shoaib helped

fund the ongoing operation of the BCCI "Ponzi operation" by a wire transfer scheme whereby when Independence Bank would wire money to a BCCI Bank on behalf of a customer, they would increase the amount transferred by altering the documentation for the transaction, thus "upstreaming" money to BCCI. Also, these defendants filed false reports with federal regulators after BCCI purchased control of Independence Bank via Pharaon, which reports concealed BCCI's ownership and control of Independence Bank. These defendants are liable under § 1962 of RICO because they:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income which they received from their participation in the pattern of racketeering activity complained of herein to assist in the operation of the association-in-fact enterprise; and

(iv) By the pattern of racketeering activity complained of herein, they conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

35. Defendant Michael Goland ("Goland") is an individual (and United States citizen and a resident of California) who knowingly helped BCCI obtain control of

Viking Savings via a large loan from Independence and then used such control to loot its assets by making large and illegal political contributions. In 1989, due to defendant Goland's waste and abuse of its assets, Viking Savings became insolvent and failed. Goland was convicted of violations of federal law in connection with the Viking Savings takeover and with election fraud for making illegal political contributions using its assets. This defendant is liable under § 1962 of RICO because he:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein; and

(iii) By the pattern of racketeering activity complained of herein, he conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

36. (a) Defendant Hill & Knowlton, Inc. ("Hill & Knowlton") is an international public relations firm with offices located in seven major United States cities, including Los Angeles and San Francisco, California. Hill & Knowlton played an active and knowing role in the conspiracy and pattern of racketeering complained of herein by helping to circulate or publicize many of the false statements (including false financial statements) of BCCI by mail or wire transmissions. Hill & Knowlton knew that BCCI was engaged in "sleazy" activities and several

top Hill & Knowlton officials refused to help BCCI disseminate false and misleading information; however, they were overruled by superiors because BCCI had promised Hill & Knowlton fees of at least $50,000 per month to help publicize and circulate the false information necessary to conceal and continue BCCI's illegal infiltration of the United States banking industry, its reckless, improper and illegal business activities and its gravely impaired financial condition. When *Regardie's* magazine published an article in the Spring of 1990 strongly indicating that BCCI illegally controlled First American, Hill & Knowlton cooperated in formulating a "disinformation" campaign to discredit the article and help delay any investigation of BCCI's acquisition of First American and by circulating, by mail and interstate wire communications, what they knew was a false and misleading denial of the truthfulness of the article by way of a purported "fact sheet" and otherwise. This defendant is liable under § 1962 of RICO because it:

(i) Knowingly aided and abetted the BCCI criminal enterprise or the association-in-fact enterprise in committing the pattern of racketeering activity specified herein;

(ii) Conspired with the BCCI criminal enterprise or the association-in-fact enterprise and the other defendants to commit the pattern of racketeering activity specified herein;

(iii) Used or invested income it received from its participation in the pattern of racketeering activity complained of herein to assist in the operation of the association-in-fact enterprise; and

(iv) By the pattern of racketeering activity complained of herein, it conducted or participated, directly or indirectly, in the conduct of the affairs of the BCCI enterprise or the association-in-fact enterprise.

(b) Morrison & Foerster and Rosenblum Parish & Bacigalupi are law firms formed under California law and located in Los Angeles and San Francisco, respectively. Henry M. Fields ("Fields") and Lachlan Foster ("Foster") are partners in Morrison & Foerster. Victor Bacigalupi ("Bacigalupi") is a partner in Rosenblum Parish & Bacigalupi. Each one played an important role in the operation of the BCCI criminal enterprise in the United States, including its illegal infiltration of the U.S. banking system through its acquisition of Independence Bank, using its nominee (or strawman) Pharaon. This acquisition is detailed in ¶¶243-282 hereof. In February, 1984, BCCI's New York agency office retained Morrison & Foerster to help BCCI find a bank located in California to acquire. Thereafter, BCCI's San Francisco agency office located Independence Bank as a potential acquisition target for BCCI. Fields met with BCCI officials and Bacigalupi, who was also acting as counsel for BCCI in San Francisco. A decision was made that Independence Bank would be acquired, that Bacigalupi and his law firm would represent BCCI in the transaction while Fields and his law firm would represent Pharaon, the purported purchaser of the bank. Thereafter, they worked together to bring about the acquisition of Independence Bank by BCCI acting through Pharaon. In connection with and pursuant to this transaction, Morrison & Foerster repeatedly communicated not with Pharaon but, rather, with BCCI officers and officials located here in the United

States, including defendant Shoaib, who was then a very senior BCCI executive. BCCI representatives – not Pharaon – utilizing these two law firms, negotiated the terms of the acquisition. In April, 1985, it was agreed by them that Pharaon would buy Independence Bank for $23 million; however, it was known to each of them that Pharaon was in fact acting as a "front" or strawman for BCCI and that Pharaon would own few, if any, of the shares of Independence Bank stock. Thereafter, Morrison & Foerster and Rosenblum Parish & Bacigalupi cooperated to create and file false documentation with regulators with respect to this transaction to make it appear that BCCI was not involved in the acquisition or ownership of Independence Bank, including the preparation and filing of false reports with United States banking authorities. After the acquisition of Independence Bank, Foster joined the Independence Bank Board of Directors along with defendant Shoaib. Thereafter, they cooperated in helping BCCI operate and control Independence Bank and in concealing its illegal ownership of that bank from federal regulatory authorities in this country, which included the filing of false reports with the federal banking authorities on an ongoing basis.

[Complaint Excerpted Here]

E. Fraudulent Scheme to Steal/Waste and Risk Depositors' Monies and Deceive Depositors and Regulators

283. The defendants made repeated false and fraudulent representations and promises as to (i) the identity of the owners of the BCCI Group and the degree of their financial involvement in the BCCI Group; (ii) the amount

of shareholder capital at risk in the BCCI Group; (iii) the financial condition, net worth and capital of the member entities of BCCI Group; and (iv) the ability of the BCCI Group to repay depositors, while pursuing a pattern of racketeering activity that damaged the class members in their business or property.

284. By means of the pattern of racketeering activity complained of herein, defendants obtained deposits of over $20 billion from diverse persons, including United States citizens living in the United States and abroad, foreign citizens residing in the United States, banks based in the United States and thousands of other persons throughout the world.

285. The essence of the scheme was to start, purchase and control banks and obtain deposits which would then be used for illegal purposes, stolen, diverted or used to benefit BCCI insiders, their relatives and their business associates, in part by convincing depositors, regulators and other banking and financial institutions, by means of false representations and false information, that BCCI was a safe financial repository and institution for funds, and thereby defendants acted to persuade depositors and banking and other financial institutions to provide the BCCI Group banks with deposits and credit. Upon obtaining the billions in deposits, the defendants could then steal the money or divert it by unauthorized transfers and "loans" which would never be repaid.

286. Foremost among the originators of the scheme was defendant Abedi, a Pakistani banker who had worked as chief executive of a number of Pakistani banks, until the nationalization of the banks in Pakistan in 1972.

Defendants Abedi and Naqvi, acting with and assisted by BankAmerica and others, established the BCCI Banks, as well as related corporate and investment entities, in more than seventy countries around the world. BCCI was the leading bank, established in 1972 in Luxembourg, Abu Dhabi and England.

287. Then ICIC Overseas was established in Grand Cayman as a bank. ICIC Overseas was used to conceal BCCI Group liabilities and to create false assets for the BCCI Group. ICIC Holdings was established and was used to conceal stolen monies. ICIC Overseas and ICIC Holdings, together with a series of related corporate and non-corporate entities, were collectively known as the "ICIC Group."

288. Defendant Abedi was in charge of the BCCI Group and the ICIC Group. Defendant Naqvi rose to become the second in command. In the late 1980's, after defendant Abedi became incapacitated, defendant Naqvi took charge of the scheme and of the BCCI Group and ICIC Group. Defendants Abedi and Naqvi, with the assistance of the other defendants, created the false representations and promises to advance their scheme and to pursue the pattern of racketeering activities.

289. In the course of the scheme and in furtherance thereof, many wrongful acts were committed in the United States and elsewhere. Examples of those follow:

(a) First, to create the false impression that the BCCI Group was a repository and a financial institution with which depositors and other creditors could safely do business, the schemers employed the ruling families of a number of Middle Eastern states and other purportedly

wealthy businessmen as nominal shareholders of the entities comprising the BCCI Group, in particular, of BCCI Holdings. The schemers falsely pretended, represented and promised that the nominees owned and financially would stand behind the BCCI Group; however, by the terms of the secret contractual agreements, the nominees were insulated from any economic loss suffered by the BCCI Group;

(b) Among the nominees were Ghaith R. Pharaon, Sheikh Kamal Adham, Abdul Khalil, Sayed Jawhary (a/k/a El Sayed El Gohari) and Faisal Saud al-Fulaij, all of whom assisted the defendants by knowingly permitting the BCCI Group management to trade on their reputations for wealth by fraudulently using their names as shareholders in BCCI Holdings, and, thus, as owners of the BCCI Group. Defendants further advanced their scheme to defraud by causing documents to be filed with U.S. banking authorities that gave false information concerning the identities of the true owners of the BCCI Group, including BCCI Holdings;

(c) In addition, defendants Pharaon, Adham, Khalil, Jawhary and al-Fulaij permitted defendants Abedi and Naqvi, the BCCI Group, including, but not limited to, BCCI S.A., BCCI Overseas and BCCI Holdings, and the ICIC Group to create the false appearance that the BCCI Group and the ICIC Group loaned them money. This resulted in the creation of false assets for the BCCI Group in the form of loans receivable which were not genuine. The false and fraudulent impressions were further enhanced by false confirmations of indebtedness to the BCCI Group which Pharaon, Adham, Khalil, Jawhary and

al-Fulaij caused and permitted to be sent to auditors of the BCCI Group;

(d) The creation of false assets and the false assertions of ownership of the stock of BCCI Holdings created the false and fraudulent impressions that Pharaon, Adham, Khalil, Jawhary and al-Fulaij were economically involved in BCCI Holdings as shareholders, that their money was at risk in the bank and that they would financially stand behind the BCCI Group if necessary;

(e) Second, defendants established separate subsidiaries of BCCI Holdings in a number of countries, including Luxembourg and the Cayman Islands, which have strict laws against release of banking information. By so doing, defendants guaranteed that there would be no comprehensive regulation on a consolidated basis by any single regulator of the BCCI Group. This permitted the inter-bank transfer of assets and liabilities to be conducted in a manner that could and did conceal the true economic position of the BCCI Group;

(f) Third, defendants authorized and caused to be authorized the payments of bribes and kickbacks to agents of other banking and financial institutions. By virtue of that practice, defendants attempted to avoid and did avoid scrutiny by other banking and financial institutions of the capital structure and financial viability of the BCCI Group. In 1986 and 1987, to obtain deposits from and a banking relationship with the Central Reserve Bank of Peru, defendants Abedi and Naqvi authorized and directed employees of the BCCI Group to open a bank account in a Swiss bank in Panama to transmit bribes and kickbacks in the amount of a percentage of the deposits

maintained by the Central Reserve Bank of Peru to the two senior officers of that bank. The total of such payments was approximately $3 million;

(g) Fourth, the defendants systematically engaged in a program known as the External Marketing program in the United States during the period from 1987 to 1990. Pursuant to that program, defendants and agents of defendants actively solicited bank deposits and/or lending relationships from numerous persons in San Francisco, Los Angeles and elsewhere in the United States. Accounts and deposits were solicited and obtained through false representations that the BCCI Group was a safe and viable banking institution. Although BCCI's agencies in the United States could not legally accept deposits from United States citizens, they often did, frequently circumventing this prohibition by having people deposit money in banks like BankAmerica and Security Pacific, which would then cooperate by transferring the deposit to a BCCI office overseas. As part of this scheme, defendants and their agents also represented that said persons could open, at BCCI agency located in San Francisco and Los Angeles, banking accounts that would be booked at the overseas branches of the BCCI Group, including, but not limited to, branches of BCCI Overseas in Lahore, Pakistan and Dhaka, Bangladesh. By means of these solicitations and with the knowledge that the representations made concerning the financial condition and the capital and net worth of the banking institutions were materially false, defendants obtained property in the form of deposits at the BCCI agencies in the United States on behalf of the BCCI Group from American citizens and residents; and

(h) Fifth, the defendants systematically filed and caused to be filed with the superintendent of various states, including California, provided and represented as true to correspondent banks, and otherwise published financial statements which defendants knew to contain false and fraudulent representations materially overstating and falsifying the BCCI Group's capital, net worth and ability to repay depositors.

290. The BCCI Banks were in regular contact with money managers and similar members of the business community, in part through the activities of various officers and directors of the BCCI Banks, and periodically provided information to government regulators purportedly to inform them of the current status and prospects of the BCCI Banks. By these contacts, the defendants consistently advised, stated and confirmed to regulators that the BCCI Banks had huge assets and were successful. There was no reasonable basis for these statements when made and the true adverse facts about BCCI Banks, their business, management, diversification and expansion program, markets, financial performance and condition and future business prospects, which were known to or recklessly disregarded by defendants, contradicted the forecasts as made. These statements were false and misleading when made and operated to make possible the gathering of deposits and to avoid a much earlier regulatory seizure of the BCCI Banks.

291. From at least January 1, 1972, defendants, individually and in concert, directly and indirectly, engaged and participated in or aided and abetted a continuous course of conduct and conspiracy to inflate the publicly reported assets and net worth of the BCCI Banks and to

conceal adverse material information about the businesses, finances, financial condition and future business prospects of the BCCI Banks, as specified herein. Defendants employed devices, schemes and artifices to defraud and engaged in acts, practices and a course of conduct as herein alleged in an effort to obtain billions in deposits and to prevent a regulatory seizure of the Banks, which included the making of or participation in the making of untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about the BCCI Banks, their finances and business condition, in the light of the circumstances under which they were made, not misleading, and engaged in transactions, practices and courses of conduct which operated as a fraud and deceit via mail and wire fraud upon the depositors and regulators during the relevant period. Moreover, throughout the relevant period, defendants, as part of their ongoing effort to continue the illusion of the BCCI Banks' management's expertise and prudence and of the BCCI Banks achieving substantial growth, issued public statements, releases and reports which were materially false and misleading because they failed to disclose material adverse information about the management, businesses, operations, financial condition and future business prospects of the BCCI Banks, including the following:

(a) That the BCCI Banks had secretly acquired control of the First American Bank, National Bank of Georgia, CenTrust and Independence Bank of Encino pursuant to a series of misrepresentations and had failed to disclose material facts to regulators regarding, *inter alia*, its control of these banks;

(b) That, contrary to the Company's statements in its public reports that, *inter alia*, its financial statements had been prepared in conformity with applicable rules and regulations and were a true and fair presentation of the Company's financial position, each of BCCI's publicly disseminated financial statements were false and misleading because each such financial statement was neither prepared in accordance with appropriate accounting principles nor examined by defendants Price Waterhouse and Ernst & Young in accordance with proper auditing procedures and each such financial statement was not prepared pursuant to applicable rules and regulations and did not reflect all adjustments necessary to present truly and fairly the financial position, results of operations and changes in BCCI's financial position for the period or periods presented;

(c) That BCCI was experiencing a serious and worsening cash flow crisis which placed it in danger of violating governmental liquidity requirements and which required it to pay premium interest rates to attract depositors;

(d) That BCCI was facing a major risk and danger in the manner it had deployed its assets and structured its business in a grossly illegal manner, such that due to improper loans and other illegal transactions, its liquidity would be adversely impacted and its solvency severely threatened and the Banks seized;

(e) That BCCI's business was not, in fact, traditional or even commercial banking, but, rather, engaging in an ongoing criminal enterprise and financing the criminal activities of others;

(f) That BCCI was disbursing hundreds of millions to BCCI insiders, their friends and/or business associates without doing any credit investigation, without requiring signed promissory notes or loan agreements and without obtaining verification or perfecting any security for those loans;

(g) That in order to conceal BCCI's ever-increasing problem loans and the dangers posed to its financial condition thereby and to permit BCCI to continue to report loan and asset growth, BCCI failed to properly classify loans as problem loans, thereby avoiding establishing material amounts of required loan loss reserves, which were required in order to fairly and accurately present the BCCI Banks' financial condition;

(h) That BCCI was providing large amounts of monies under the guise of "loans" to borrowers who were not creditworthy and/or making "loans" secured by inadequate collateral, thus artificially boosting revenues/profits via the recognition of up-front loan fees and greatly increasing the risk of substantial losses;

(i) That BCCI was having difficulty in attracting new accounts or maintaining existing deposits at levels necessary to sustain its liquidity and that BCCI was increasingly being forced to obtain brokered deposits and to pay premium interest rates and other charges to attract and retain the deposits it was obtaining, which was adversely affecting BCCI's liquidity;

(j) That BCCI was suffering from significant management failures, shortcomings and frauds at the highest levels, that regulatory authorities had criticized the practices and competency of the BCCI Banks' top

management, that BCCI was unable to properly manage and control its rapid growth, and that far-flung operations had been unable to attract sufficient deposits to adequately fund operations or make sufficiently profitable loans to generate adequate internal cash flow and operating profits to support its growing operations;

(k) That BCCI was paying millions to fronts, strawmen or nominees to purchase control of American banks, in violation of federal and state law;

(l) That BCCI had overstated the value of its portfolio of investments and marketable securities as an asset on its balance sheet and that the value of BCCI's portfolio of investments and marketable securities was not properly, accurately or timely recorded on BCCI's balance sheet as represented by BCCI;

(m) That BCCI had engaged in a gross overconcentration of its assets by (i) making loans of over $700 million to a single related group of Pakistani companies (*i.e.*, the Gulf Group); (ii) making over $3.3 billion in loans (compared to stated capital of between $1 and 1.5 billion) to just 22 customers; and (iii) making a huge amount of loans (exceeding $5 billion) in the Middle East, an undue concentration of loans.

(n) That BCCI had made over $148 million in loans to Faisal Saud al-Fulaij for which there were *no* loan agreements, no promissory notes and on which no interest had been paid for years;

(o) That BCCI had made over $150 million in loans to A.R. Khalil for which there were *no* loan

agreements, no promissory notes and on which no interest had been paid for years;

(p) That BCCI had used (diverted and misappropriated) over $170 million in deposits from Faisal Islamic Bank of Egypt to cover up the lack of interest payments on several large loans, cover up certain loans made by BCCI to facilitate its takeover of First American Bank and to "recreate" a missing $62 million deposit;

(q) That BCCI had taken over $580 million in deposits and not recorded them, using the monies instead to cover up losses that it had suffered on phony or bad loans, thus materially understating the Bank's liabilities;

(r) That BCCI's consolidated financial statements for many years – at least since 1975:

(i) overstated income, assets, capital and net worth for each of those periods as a result of BCCI's failure to provide adequate reserves impaired loans;

(ii) overstated income as a result of interest income being improperly accrued on nonperforming loans and loan origination fees being improperly recognized on loans which were uncreditworthy and did not meet prudent lending standards;

(iii) overstated income by the improper recognition of interest; and

(iv) overstated assets by material amounts due to, among other things, use of exaggerated and inflated appraisals;

(s) That BCCI lacked adequate internal financial and accounting controls and indeed structured its

operations so as to evade or avoid the implementation of controls necessary to ensure the integrity of its assets and its resulting financial statements such that all assets, revenue and income from transactions recorded on BCCI's books were reasonably expected to be realized and were not, in fact, fictitious or illusory;

(t) That in order to avoid recognizing losses on bad loans, BCCI was improperly rolling over loans which were in default, was refinancing bad or defaulting loans and was advancing funds to enable borrowers to pay interest on loans;

(u) That as a result of BCCI's serious and worsening cash flow problem and losses from operations, the BCCI Banks' management was engaging in an increasing number of highly speculative and risky transactions and practices in an attempt to achieve large short-term profits and raise cash, including reckless commodity and securities transactions;

(v) That regulatory officials had warned BCCI that the operating practices identified above were extremely dangerous, that its liquidity was declining at a dangerous rate, that BCCI was in danger of violating applicable requirements, that BCCI's lending and operating controls, financial condition and loan loss position was much worse than its audited and other public financial statements indicated and that BCCI's reporting of assets and income was materially false;

(w) That the BCCI Banks were repeatedly falsifying documents to disguise the true nature of numerous investments, acquisitions, partnerships and joint ventures to make them appear to be loans and had

repeatedly lied to regulators about the true nature of these transactions;

(x) That in order to attempt to conceal or cover up the BCCI Banks' illegal, imprudent, fraudulent, unsafe and unsound policies, practices and operations, a massive and ongoing program of document fraud was being carried out by a "Special Duties Department," including destroying, damaging or incinerating documents, creating false documents to conceal wrongdoing and forging the signatures of the BCCI Banks corporate directors and officers and others on many corporate forms, reports and other legal documents;

(y) That in order to permit the BCCI Banks to operate in an unsafe, unsound and illegal manner, it had undertaken a massive program to purchase political influence by making or causing to be made huge political contributions, many of them illegally reimbursed or paid for by the BCCI Banks and by bestowing other financial favors on important officials and in part through loans to them from First American, which were in amounts and/or on terms not justified by the credit of such individuals;

(z) That the BCCI Banks' 1988 "plea bargain" with the Department of Justice in fact resulted from improper political pressure which was intended to give the BCCI Banks the ability to operate illegally in the United States in an unsafe and unsound manner with virtual immunity from federal regulators;

(aa) That the BCCI Banks overstated the value of its portfolio of investments and marketable securities as assets on its balance sheets and that the value of the BCCI Banks' portfolio of investments and marketable

securities was not properly, accurately or timely recorded on the BCCI Banks' balance sheets at the lower of cost or market value;

(ab) That the BCCI Banks' loan portfolio included significant and material amounts of non-performing loans which were not timely written off by the BCCI Banks;

(ac) That as a result of the BCCI Banks' serious and worsening cash flow problems and losses from operations, the BCCI Banks' management was engaging in an increasing number of illegal, highly speculative and risky transactions and practices in an attempt to create large short-term profits, increase its reported assets and raise cash by obtaining deposits;

(ad) That in order to meet production or performance quotas imposed on loan officers by the BCCI Banks' top management and to accommodate the personal wishes of BCCI's controlling shareholders, and top officers and directors, the BCCI Banks were making large amounts of sub-standard loans to borrowers who were not creditworthy, even without signed notes and/or loans secured by inadequate collateral, thus artificially boosting loan volume and earnings via the recognition of upfront loan fees and greatly increasing the risk of substantial loan losses;

(ae) That in order to conceal the growing amount of problem or non-performing loans and the dangers they posed to the BCCI Banks and in order to permit the BCCI Banks to continue to report large capital and apparent liquidity and growth, the BCCI Banks failed to properly classify loans as problem or non-performing

loans, thereby avoiding establishing material amounts of reserves for possible loan losses which were required in order to fairly and accurately present the BCCI Banks' financial condition, by granting unjustified maturity extensions, rate concessions and loan rollovers (including advancing unpaid interest) which were not in accord with good banking practices and were not justified by the creditworthiness, current financial condition and loan performances of the borrowers;

(af) That the defendants had authorized, caused or permitted the BCCI Banks to operate with dangerous lending procedures lacking adequate overall control and coordination necessary to assure proper loan quality, adherence to proper lending standards and documentation procedures and to permit the prompt identification of, or avoidance of, undue concentration of loans in high-risk areas or industries;

(ag) That the defendants had authorized, caused or permitted the BCCI Banks to engage in an overly aggressive commercial lending program by which the BCCI Banks made a significant volume of commercial loans which defendants knew were not adequately documented or were of a substantially higher risk character than was proper for a commercial bank, and, thus, would likely result in a major impairment of the BCCI Banks' capital and liquidity and in losses in the future;

(ah) That the defendants had authorized, caused or permitted the BCCI Banks, without an adequate feasibility evaluation and without adequate safeguards, to purchase interests in or to increase its

investments in commercial projects at times when defendants knew or recklessly disregarded facts demonstrating that these projects were not feasible, had developed or would develop severe cash flow problems, thus lowering their realizable net value;

(ai) That the defendants had authorized, caused or permitted huge commercial loans to be made with inadequate and unreliable financial information relative to the creditworthiness of the borrower and guarantor and the borrower's source of repayment and/or, in many cases, without even obtaining signed promissory notes;

(aj) That the defendants had authorized, caused or permitted the BCCI Banks to invest in ventures without reasonable investigation and on the basis of inadequate or non-existent appraisals and/or contrary to prudent investment practices;

(ak) That the defendants had authorized, caused or permitted the BCCI Banks to operate and report their financial information in a manner which was contrary to applicable regulations and which concealed and minimized the size and true severity of the financial problems of the BCCI Banks;

(al) That the supposed "capital infusion" into BCCI by Abu Dhabi in April, 1990, was, in fact, part of a cover-up to which key defendants agreed, to conceal that BCCI had made huge loans which would not be repaid to several insiders who "owned" BCCI and had abused their positions of control by siphoning off millions in bank funds for themselves and their families, friends and business associates;

(am) That the supposedly successful "rights offerings" to BCCI shareholders in 1987 and 1989 to raise capital for BCCI were sham transactions since BCCI provided from its own funds virtually all the monies to buy the rights offerings – a completely circular transaction, in which BCCI provided the money that was supposed to be new capital for the BCCI Banks and the supposed stockholders of BCCI, in fact, did not, in many instances, even know that they had supposedly purchased such rights;

(an) That the BCCI Banks were in constant protracted controversy with various central banks and regulators and were misrepresenting their financial condition and nature of its operations to them; and

(ao) That most of the loans being made by the BCCI Banks were not short-term or self-liquidating but, rather, were long-term – often of indefinite duration and highly illiquid in that there was no identified source of repayment for these loans and their repayment depended upon unique transactions or refinancing by another lender.

292. Among the illegal acts of racketeering of the BCCI Banks, aided and abetted and conspired in by the other defendants, which occurred after 1970, are at least the following:

(a) Committing bank, financial institution and mail and wire fraud in obtaining and then maintaining control of four American banks, *i.e.*, First American, NBG, CenTrust and Independence Bank, through the use of secretly compensated nominees and false statements,

reports and filings with the FRB and other regulatory authorities;

(b) In 1988, through wire and mail fraud, purchasing ("parking") some $35 million in junk bonds issued by CenTrust in order to artificially prop up the financial condition of CenTrust at a time when the regulators were bearing down on it and threatening to close it, which bonds were repurchased from the BCCI Banks and other straw parties by CenTrust at face value shortly after the regulators' inspection of CenTrust was over. This transaction was undertaken deliberately to deceive American banking regulators and help a fraudulently operated savings and loan to stay open longer, which ultimately inflicted great damage on American taxpayers, and constitutes, *inter alia*, financial institution fraud;

(c) Having First American place $74 million in ICIC certificates of deposit in the Cayman Islands to help artificially boost ICIC's capital – an imprudent and highly risky transaction, inconsistent with standards governing the management of a bank subject to United States regulation;

(d) In 1985, via wire and mail fraud and fraud in connection with sale of securities, causing First American to purchase Pharaon's interest in the NBG (which was actually BCCI's interest) at a grossly inflated and unfair price, thus funneling at least $220 million to the BCCI Banks, which monies were utilized by it to help cover up and perpetuate its ongoing fraud;

(e) Paying bribes to top officials of the Peruvian Central Bank in order to get those individuals to cause the government of Peru to place government funds

in the BCCI Banks and in paying a $32 million bribe to the former manager of its investment activities in London in order to prevent him from exposing the ongoing fraud and criminal conduct at the BCCI Banks;

(f) Permitting the BCCI Banks' branches in Florida to engage in financing illegal narcotics transactions and to engage in money laundering transactions on behalf of drug dealers and then, when that activity was discovered by law enforcement officials, using its political influence to obstruct justice and obtain an improper plea bargain agreement which permitted it to pay a paltry fine of $15 million, while securing an agreement from federal law enforcement officials which was grossly overbroad in that it purported to commit the United States to never charge the BCCI Banks or its affiliates "with committing any other federal criminal offenses under investigation or known to the government at the time of the execution of this agreement or relating in any manner to the charges disposed of by the agreement";

(g) Financing illegal international arms shipments through the BCCI Bank branch in Miami, Florida;

(h) Consistently manufacturing false documentation to facilitate inflation of account turnover and concealments of flows of funds involving over 6,500 accounts during a 15-year period, including activities to hide over $600 million in deposits, treating them as unrecorded deposits, thus grossly distorting the Banks' financial statements and making hundreds of millions of dollars of fictitious loans, which in fact were nothing more than transfers of money to BCCI insiders and those

with whom those insiders had incestuous business and other relationships;

(i) Through the BCCI London branches' financing international terrorist activities in part through the accounts of Abu Nidal;

(j) Secreting and/or destroying evidence, including, in June, 1991, taking large amounts of computer data and supporting systems from London to Abu Dhabi in order to conceal the prior course of criminal wrongdoing, and lying and covering up its prior wrongdoing so as to frustrate and delay legal proceedings against and investigation of BCCI, thus avoiding regulatory seizure;

(k) Acting as personal bankers for and engaging in illegal currency transactions and secret transfers of monies on behalf of a number of international criminals, including Noriega, Hussein, Marcos and Khashoggi, and helping Noriega, Hussein and Marcos loot their national treasuries through a series of transactions by which they permitted and assisted those parties to appropriate government monies for their own personal use;

(l) Stealing depositors' monies, including parts of the deposits of residents and citizens of the United States, by permitting BCCI insiders and their friends, relatives and business associates to obtain huge loans that would never be repaid and, in some instances, just taking the money;

(m) Financing illegal drug transactions of Pablo Escobar and Jorge Ochoa, leaders of the Medellin

drug cartel, including transactions involving the illegal transportation of narcotics into the United States;

(n) Assisting through its Miami, Florida, operations, Munther Ismael Bilbeisi (brother of a BCCI regional manager) to smuggle $35 million worth of coffee into the United States and sell it to United States buyers, in part through funds and false documents it made available;

(o) Assisting Noriega in looting the treasury of Panama and stealing its public monies by secretly transferring these funds out of Panama to Noriega's secret bank accounts elsewhere, in part via transfers through First American in the United States;

(p) Money-laundering the proceeds of illegal narcotics activities through its Miami, Florida, offices for which several BCCI operatives were convicted in the United States and BCCI pleaded guilty, paid a $15 million fine and was placed on probation for 5 years;

(q) Making illegal political contributions in the United States, in substantial part through CenTrust's PAC, officers, its top customers and certain of their associates and by misusing the funds of Viking Savings;

(r) Assisting Arif Durrani, a Pakistani weapons dealer, in illegally selling/shipping (smuggling) arms to Iran (for which Durrani has been convicted in the United States and sentenced to 10 years) via letters of credit and common transfers from its Los Angeles, California, operations;

(s) Undertaking to obtain political influence to halt, deflect, or delay any investigation into their

conduct and to prolong their conspiracy by hiring a phalanx of United States lobbyists (often paying them grossly excessive fees because the lobbyists refused to represent a criminal enterprise absent such "premium" payments), making huge and often illegal political contributions in the United States through, *inter alia*, CenTrust and Viking Savings as described above and also Clifford and Altman as well, and by having First American make large loans on very generous terms to political figures in the United States through the First American;

(t) Circulating by mail and wire in the United States BCCI's false and misleading financial statements and false statements by BCCI and other of the co-conspirators that BCCI was not operating illegally in the United States, by controlling First American, CenTrust, NBG and Independence Bank. For each year ending December 31, 1982, 1983, 1984, 1985, 1986, 1987, 1988 and 1989, BCCI filed with the Federal Reserve Board by mail its Form Y-7 and Schedule A thereto which falsely represented that BCCI did not directly or indirectly own, control or hold with power to vote more than 5 percent of the outstanding voting securities of any U.S. bank, and falsely represented that BCCI conducted no business activities in the United States. The Forms Y-7 and Schedule A thereto which BCCI filed on an annual basis during the above-referenced years also contained false financial statements, as well as Price Waterhouse's opinion that BCCI's financial statements "give a true and fair view" of its financial condition for each year;

(u) By engaging in fraudulent sales of securities and deceptive and dishonest acts in connection with CenTrust selling $150 million in subordinated debentures;

(v) By engaging in financial institution and bank, mail and wire fraud in illegally infiltrating the U.S. banking industry and in helping to falsify the apparent financial condition of CenTrust to avoid its regulatory seizure, keeping the bank operating for one or two more years, causing the United States to spend hundreds of millions more to "bail out" that bank when it was finally seized;

(w) Covering up its activities and/or obstructing justice in the United States by making repeated false statements about BCCI's actual control of First American, CenTrust, NBG and Independence Bank, by arranging for a plea bargain in connection with a money-laundering plea in Florida that could bar any further criminal prosecution of BCCI in the United States by federal authorities, and by lying to federal investigators and grand juries, paying off employees not to "blow the whistle" and in advising one or more witnesses (Amjad Awan) to leave the United States to avoid giving testimony to the law enforcement or investigating agencies in the United States;

(x) By helping to funnel at least $3 million in illegal proceeds from an Orange County, California, telemarketing scheme out of the United States;

(y) By financing the sale of or attempting to finance the sale of illegally, French-manufactured military fighter aircraft owned by Argentina to third world countries, including Saddam Hussein of Iraq, from its Miami, Florida, bank;

(z) By financing international terrorism, including financing and assisting the notorious ANO

organization, financing the purchase, sale and delivery of illegal arms (including arms shipped to Saddam Hussein in Iraq) by Abu Nidal and some 10 others, including Samir Najmeddin, through some 42 accounts involving $50 million in BCCI's London Bank;

(aa) By assisting the former President of Peru, Alan Garcia, to steal millions from his nation's treasury, funneling the money to secret accounts via the BCCI Bank systems;

(ab) By paying some $3 million in bribes to Peruvian Central bankers to obtain deposits from Peru's Central bank;

(ac) By helping Munther Ismael Bilbeisi illegally sell Jordanian helicopters to Guatemala at inflated prices so that he could pay kickbacks to relatives of the President of Guatemala and certain high military officials;

(ad) In December, 1985, BCCI, through its London office, issued an Irrevocable Documentary Letter of Credit in the amount of US $11,250,000 in favor of B.R. & W. Industries Ltd., a British arms dealer. The letter of credit was to cover up the cost of 1,250 BCM-71A TOW Missiles which had been manufactured in the United States in 1980-1981, 5,000 PG-7WM Rockets, 20 Stretta 2M Anti-aircraft missiles, two Strella 2M Missile Launchers and 2,000 AK-47 Automatic Rifles. The American TOW missiles were still in the manufacturer's original packing crates. The rockets, anti-aircraft missiles, missile launchers and automatic rifles were manufactured in Poland; and

(ae) The invoices and letters of credit were altered, with the complete knowledge and participation of BCCI officials in London, to indicate that the 1,250 BCM-71A TOW missiles were "lift trucks." The arms were shipped to Sepah Passdarn in Tehran, Iran, although the shipping documents indicated that the purchaser was the Arabian Gate General Trading Co. located in Dubai, United Arab Emirates. Iran guaranteed access and refueling for the delivering aircraft because the Iraq-Iran war was waging at the time.

[Complaint Excerpted Here]

VIII. BCCI'S FALSE FINANCIAL STATEMENTS AND REPORTS

296. BCCI's year-end financial results and statements were issued to BCCI's existing depositors, potential depositors, customers and the public via annual reports, brochures and other solicitation materials and also included in regulatory filings made in the U.S. and elsewhere. For many years, BCCI issued annual reports, promotional materials, advertisements and public statements that represented that the Bank was prudently and conservatively managed, was operating legally and in close collaboration with and under the oversight of banking regulators in several jurisdictions, had huge capital and assured an adequate liquidity. For instance, brochures issued in 1985 (Exhibit 5) and widely disseminated by BCCI in the United States and elsewhere to depositors, potential depositors, the financial press and regulators, stated BCCI "is adequately supported by a capital fund in excess of $1 billion . . . [its] results show a total shift of

emphasis from growth to consolidation, from quantity to quality – an emphasis on high capital/asset ratio, high liquidity, high quality of assets. . . . The focus will continue to accentuate on conservatism and prudence during the next decade." Also, in 1988, Abedi publicly represented that BCCI was a "totally apolitical" body and "our success so far is due to the honesty and integrity of purpose of the entire staff." When BCCI finally reported losses in 1988 and 1989, it downplayed the significance of these losses, attributing them to isolated and/or nonrecurring factors, received opinions from Price Waterhouse on its financial statements that were unqualified with respect to its financial condition and gave no indication it was suffering from any serious operational, control or financial problems. In fact, in April, 1990, when the BCCI conspiracy was in danger of unraveling from the accumulated effects of years of illegal diversion and waste of its assets, improper lending and improper financial transactions, Price Waterhouse and several top BCCI executives realized that a major infusion of cash to BCCI was required to avoid its immediate collapse and exposure of the Ponzi scheme that BCCI actually was conducting. Price Waterhouse, Price Waterhouse/UK, Price Waterhouse/Luxembourg, these executives and others (the "Task Force") undertook a thorough review of BCCI's banking business which easily documented huge irregularities – gross abuse of proper banking and lending standards – and improper accounting practices, concluding that: "The Task Force feels that the regular annual audit thereof should have easily detected and corrected such haphazard transactions several years ago. . . . It took the Task Force only a few days to note

that nearly each of these cases had common patterns of initiation activity, fund flows, weak documentation . . . which any reasonable audit process should have tracked down, identified and stopped forthwith. . . . It is in the interest of all concerned who are involved in safeguarding the existence of BCC Group – the shareholders, the directors, the management, the auditors and finally, the regulators, to close this matter urgently and allow the Bank's Annual Report to be issued to the public, globally at the earliest. Without this there is now a grave and real danger of a serious 'run' on the Bank worldwide resulting in an uncontrolled situation which would even close the entire Group." Despite their knowledge of the BCCI Banks' prior profligate and illegal practices and their gravely impaired financial condition, defendants conspired to make the grave, indeed fatal, situation in April, 1990, appear positive, with Abu Dhabi supposedly injecting new capital into BCCI, BCCI telling its depositors and the public that BCCI was operating "very normally," the Bank of England was "fully in the picture," there was "no real ground for concern by depositors," and that the movement of the Banks' operations headquarters to Abu Dhabi from London was to save overhead and increase efficiency, and Price Waterhouse issuing an unqualified opinion on BCCI's financial statements, while BCCI top executives and directors issued strong positive reassuring statements to its depositors and the general public. In the Spring of 1991, the scheme was again about to unravel as BCCI's operations and controls had continued to deteriorate, it had continued to suffer huge losses, impaired cash flow and was riddled with billions in non-performing and/or uncollectible loans. However, Price Waterhouse

agreed with BCCI and the Sheikh of Abu Dhabi to once again give the BCCI Banks clean audit opinions if the Sheikh put in another $600 million in capital and agreed to indemnify Price Waterhouse and Price Waterhouse/UK for giving the clean opinion. However, before the clean opinion could be issued, due to certain information provided secretly to the Bank of England by an ex-BCCI employee, Price Waterhouse/UK was ordered by the Bank of England to prepare a report for it, without the knowledge of BCCI and its top executives, as to the condition and practices of the Bank. In late June, 1991, Price Waterhouse and Price Waterhouse/UK admitted to the Bank of England that there was over $600 million in unrecorded deposits in the BCCI Group and that "the accounting records and financial position of the [BCCI] Group have been falsified in relation to the above transactions for a substantial number of years [and] these transactions represent only a part of a wholesale deception to misrepresent and falsify the financial position of [BCCI] over the last decade through a series of complicated manipulations [including] a significant falsification of the accounting records (involving false loans, transactions, and confirmations) on such a scale that the true financial history of BCCI is unlikely to be able to be recreated" and that "it would appear that the bank has generated significant losses over the last decade and may never have been profitable in its entire history." A few days later, the BCCI Banks were seized in a worldwide coordinated effort of banking regulators. The financial results and statements, including Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated

Statements of Shareholder's Equity, Consolidated Statements of Changes in Financial Position and the Notes to the Consolidated Financial Statements, were false and misleading in overstating the following: assets (including cash and cash equivalents), capital, profits and revenues; and did not fairly or accurately present BCCI's financial condition or results from operations. BCCI's statements were manipulated by improper accounting techniques and its assets, capital, profits and revenues were materially overstated and its loss in 1989 was understated because BCCI had failed to make accounting adjustments required for a true, fair and accurate presentation of its actual results of operations. For instance, BCCI recorded over $570 million in income on interest payments on the huge CCAH loans to the purported shareholders of CCAH, even though that interest had not been paid over the years, but merely recorded on BCCI's books.

297. In BCCI's 1986 Annual Report and Accounts, which was issued in the spring of the following year and was widely circulated by BCCI during that year to depositors, potential depositors in the United States and elsewhere, as well as to the financial press and regulators, the Report of the Directors, signed by Abedi, stated:

> BCC Group operating through a global network of branches and offices in 72 countries, did not escape the impact of the international economic environment, nevertheless it showed its resilience by producing satisfactory results in the commercial banking sector. . . . Excluding [an] exceptional loss, the normal commercial banking operations showed a profit of U.S. $283 million before loan loss provision and tax.

The year-end balance sheet clearly reflects the Group's financial strength. The capital/asset ratio stood at 8.4% while the advances/deposits ratio continued to be less than 54% again reflecting a position of high liquidity which has been a cornerstone of our policy.

The key aspects of the balance sheet and of the operating results for the year are as follows:

Capital Fund

The year-end Capital Fund figure now stands at U.S. $1.471 million as against U.S. $1.190 million at the end of 1985, an increase of U.S. $281 million.

* * *

Pursuant to the policy of the Shareholders and the Directors to strengthen the capital base of the Group a Rights issue of U.S. $250 million was made during the year at a premium price of U.S. $40 per share of U.S. $10. The Rights Issue was fully subscribed by our shareholders.

* * *

Reserves and Provisions

As part of the ongoing process of building up the Capital Funds, the total of Reserves and Retained Earnings was raised to U.S. $381 million from U.S. $265 million in 1985.

In determining the Loan Loss Provision for the year management has carried out a full review of the Loan Portfolio and decided to make a conservative charge of U.S. $112 million for the year. This builds up the total provision . . . to U.S. $441 million (1985: U.S. $371 million). After

allowing for full and adequate specific provisions, general provisions are now nearing 1% of the Loan Portfolio. It is management's intention to continue to build up this provision to a higher level in coming years with a view to provide further protection from any unforeseen adverse developments in the future.

Operating Results

[T]he Group generated a commercial banking profit of U.S. $283 million before tax and provisions after absorbing U.S. $21 million as a consequence of currency devaluations in 1986. Results for the year, before taxation and the net exceptional loss of U.S. $55 million, relating to 1985, stood at U.S. $170 million. There will be no further impact of the 1985 position on our earnings in future years.

* * *

We feel that the BCC Group is now well poised to avail of maximum advantage from the expected upturn in international banking particularly in the area of international trade.

Outlook for 1987

Although the economic outlook for 1987 remains uncertain, particularly in the third world, the Directors, on the strength of 1987 Group budget figures and other indicators, feel confident that the results for 1987 will show a significant improvement.

The Directors take this opportunity to thank the Central Banks and Supervisory Agencies in countries where the Group Banks are operating for the valuable guidance extended to them.

The December 31, 1986, financial statements reported assets of $17.5 billion, capital of $1.4 billion and earnings of $31 million.

298. The opinion issued in the name of Ernst & Whinney on BCCI's 1986 financial statements stated:

> We have examined the consolidated accounts of BCCI Holdings (Luxembourg) S.A. . . . Our audit has been carried out in accordance with approved auditing standards.
>
> In our opinion, based on our examination and the reports of the auditors of certain subsidiaries and affiliates not audited by us, the consolidated accounts give a true and fair view of the state of affairs at December 31, 1986, and of the results, changes in retained earnings and source and application of funds of the group for the year then ended.

299. BCCI's 1987 Annual Report & Accounts, which was issued in the spring of the following year and was widely circulated by BCCI during that year to depositors, potential depositors in the United States and elsewhere, as well as to the financial press and regulators, contained a Report of Directors, signed by defendant Lamarche, which stated:

> *BCC Group's Performance*
>
> The balance sheet reflects our management policies to maintain prudent ratios and a high level of liquidity. Special attention is also being paid to the quality and diversification, geographically and industry-wise, of the group's loan portfolio. Seen in the light of the somewhat mixed economic world conditions and the importance of our activities in the Third World

countries, the 1987 results must be considered as satisfactory.

Capital Fund

* * *

[T]he Group's Capital Fund now totals $1.469 million following the issue of and subscription to $30 million additional convertible Subordinated Capital Notes and $50 million non-convertible Subordinated Capital Notes, thus providing a conservative capital/asset ratio of 7.48%.

Liabilities

The Group's customer deposits increased by approximately 12% from $13.8 billion to $15.4 billion. It reflects management's policy to maintain a strong diversified deposit base.

The other source of funds, borrowings from banks, stood at $2 billion thereby raising total deposits and other funds to $17.7 billion, as against $15.6 billion at December 1986.

Assets

Loans and advances rose to $9.2 billion as against $7.6 billion in 1986 and made up 47% of total assets. Following our established policy, the emphasis is trade related, of a short-term self-liquidating nature. Over $9.5 billion was maintained in various forms of liquid or near liquid assets. It includes inter-bank balances at $5.4 billion, certificates of deposits of prime international banks at nearly $2.0 billion and readily marketable securities – primarily U.S. bonds and Treasury Notes – totalling $2.1 billion.

The total asset base amounted to $19.6 billion, a rise of $2.1 billion over 1986.

The ratio of advances to customers' deposits stood at 59.8% at the end of 1987.

Reserves and Provisions

In addition to the contingency provision allocated for potential country and more general risk situation relating to prior years, specific Loan Loss Provisions for the year were set at $70 million. The figure was arrived at after a full review of the Loan Portfolio and your Directors are of the opinion that this represents an adequate assessment.

Operating Results

The operating profit of the Group stood at $185.4 million as against $231.6 million in 1986, before Tax and Loan Loss Provision. The reduction was mainly the result of unfavorable exchange rate movements against the U.S. dollar in several countries where we operate and disappointing income from Treasury. This last area will receive management's full attention in 1988.

* * *

Outlook for 1988

Notwithstanding the uncertainties in the economies of some countries where the group has a presence, our operations are now sufficiently diversified geographically for the group to face the future with confidence. With a branch network covering 73 countries, the group is in a favourable position to service international trade and to provide an increasing range of other financial services to our growing clientele. On the strength of our 1988 budget figures, the

> Directors expect a significant improvement in the 1988 earnings.
>
> * * *
>
> The Directors again take this opportunity to thank the Central Banks and Regulatory Authorities in the countries where BCC operates for their continuing guidance and day-to-day assistance.

BCCI's 1987 financial statements reported total assets of $19.6 billion, total capital of $1.4 billion and net income of $37 million.

300. The opinion issued in the name of Price Waterhouse on BCCI's 1987 financial statements provided:

> We have audited the consolidated financial statements . . . in accordance to International Auditing Guidelines. In our opinion, the consolidated financial statements give a true and fair view of the financial position of BCCI Holdings (Luxembourg) S.A. and its subsidiaries and affiliates at December 31, 1987 and the results of its operations for the year then ended in accordance with International Accounting Standards.

301. BCCI's 1988 Annual Report & Accounts, which was issued in the spring of the following year and was widely circulated by BCCI during that year to depositors, potential depositors in the United States and elsewhere, as well as to the financial press and regulators, contained a report of the Directors signed by defendant Lamarche which stated:

> A number of unfortunate circumstances marred the otherwise satisfactory operational results of the Group in 1988. . . . In October, we were faced

with an indictment in Tampa, Florida, which alleged that nine of our employees had violated U.S. money-laundering laws by laundering $14 million. The individuals have denied the charges and are contesting them vigorously, as are the bank entities. It has not been suggested or alleged that either the corporate management or the Directors had any knowledge of the transactions. Appropriate steps have been taken in the United States and elsewhere to strengthen procedures and controls, particularly on client relationships.

Although this last event generated a high degree of adverse publicity, the Group's underlying strength and viability remained unimpaired resulting in a strong balance sheet at the year-end with assets exceeding $20 billion and an improved operating profit of $192 million for the year. The final profit figures, however, were strongly influenced by a significant increase in provisions against commercial and cross border risk situations, a step decided on as a matter of prudence and in the light of the regulatory guidelines on such risks. The decision had the full support of our shareholders who contributed to the increase of $100 million in the Group's Capital fund subsequent to the year end. . . . With our geographic diversification and having made conservative provisions in 1987 and 1988, we can face the next financial year with confidence and anticipate a good improvement in our earnings.

* * *

I take this opportunity to thank the Central Banks and Regulatory Authorities in the countries where BCC operates for their guidance and day-to-day assistance.

302. The 1988 Report also contained a Management Report, which stated:

BCC, founded as a truly international bank, matches the needs of the present with the likely needs of the future. It is committed to the principle of promoting local and international trade and to be the bridge between the developing and the developed countries of the world. BCC today has the fifth largest banking network in the world, spread over Africa, Asia, Australia, Europe, the Far East, the Middle East, North and South America, serving them through a dedicated team of 14,000 people.

BCC claims no country as its own, but treats every city and every town it operates in as its home. It is committed to local communities with its belief that indigenous enterprise can benefit from the application of financial skills and knowledge acquired through years of international experience.

* * *

BCC is at a threshold in the process of its future development. Whereas it continues to progress and grow in the markets where it is more entrenched, such as the Far East, Middle East, South Asia and Africa, it has to adopt new policies and strategies in other markets, particularly industrialized countries, to enhance and further diversify its profitability and also meet the ever-changing expectations of the customer.

BCC has, therefore, set up a Strategy & Planning Group in its management structure distinct from its existing Planning Division. This group will formulate short and long term strategies of business. It will make a careful assessment of each geographic region's potential and possibilities taking into account economic and political conditions, the nature of competition, the products in demand and those for which demand can be created.

Success is the best motivator and enhances creativity. The Strategy Group will therefore also identify the sectors where BCC could be more successful in the immediate future. This group will also be responsible for matching the possibilities with BCC's marketing capability either present, enhanced or acquired.

In the new strategy, this aspect is already being given greater attention. A significant number of senior bankers from other large international banks have already joined BCC. The process of education, training and skill development of the existing staff is being improved and accelerated, both by in-house facilities and with the assistance of outside expertise.

While our products, delivery systems, and market niches may undergo changes, our basic business and the principles of conducting the same are not expected to change in the near future. This means that:

- our principal activities will be in the area of commercial banking

- our business policies will be based on the following preferences

- High liquidity to be maintained through broad based and diversified customer deposits
- Cost of deposits will continue to be kept at an economic level
- Quality of assets to remain high – largely short term, self-liquidating
- Quality profit generated both from sustainable and regular streams and through short term transactions and deals.

BCC is destined to earn its distinction by the quality of its operation and by the role it plays as a link between what is and what is possible – a bridge between developing and developed countries.

We have every reason to look to the future with confidence and are determined to make 1989 significantly better than last year.

303. BCCI's 1988 financial statements reported assets of $20 billion, total capital of $1.4 billion and a loss of $48 million. Price Waterhouse's opinion on the 1988 financial statements stated:

We have audited the consolidated accounts of BCCI Holdings (Luxembourg) S.A. . . . in accordance with International Auditing Guidelines.

As discussed in Note 23, legal procedures are pending in Tampa, Florida against the Company, BCCI S.A. and BCCI (Overseas) Limited. The ultimate outcome of the proceedings and the effect on the group's operations are presently uncertain and no provision has been made for any liability that may arise.

> In our opinion, subject to the effects of such adjustments, if any, as might have been required, had the outcome of the uncertainty referred to in the preceding paragraph been known, the consolidated accounts give a true and fair view of the financial position of the group at December 31, 1988 and the results of its operations and changes in financial position for the year then ended in accordance with International Accounting Standards.

304. BCCI's 1989 Annual Report and Accounts, which was issued in the spring of the following year and was widely circulated by BCCI during that year to depositors, potential depositors in the United States and elsewhere, as well as to the financial press and regulators, contained a Report of Directors signed by defendant Lamarche, which stated:

> The most significant event of consequence, affecting 1990 and beyond, is the major restructuring of the Group's shareholding and the subscription by the Abu Dhabi Government of US $400 million for new capital and their acquisition of certain existing shares, such that together with related institutions they now hold over 77% of the share capital of the holding company. This gives the necessary strength to the BCC Group to support its future performance and development.
>
> * * *
>
> BCC's fundamental operating performance showed an improvement in revenue generation and expense control as reflected by an operating profit of $224 million before provisions, taxes and extraordinary items. However, pursuant to

an intensive review of our loan portfolio, we believe it prudent to establish a large provision against known and possible future loan losses in order to allow the Group to continue to build on its operating strengths. Accordingly, we have taken a charge against earnings of $600 million which caused a significant financial loss for 1989 after provisions. Our provision against cross border exposure to troubled-debtor countries is now about 50%. Total loan loss reserves for all categories of loans exceed $1.1 billion, including a general reserve approaching $100 million.

A decision of this magnitude clearly had a material impact on our capital, upon which, our future growth and success depend, and we are therefore pleased to report that the Directors had the full support of the shareholders in establishing these provisions. In addition to a $75 million Rights Issue during 1989, the Government of Abu Dhabi has, as mentioned above, subsequently subscribed a further $400 million in equity capital, thereby rebuilding the Group's capital base. There was also an increase of $106 million in Subordinated Capital Notes during the year. The year-end Capital Fund of $1.076 million has since been restored to above $1.475 million in April 1990. The risk-weighted capital adequacy of the Group, based on the 1989 accounts and the fresh injection of capital in April 1990, exceeds the 8% target set by the Basle Committee of the Bank for International Settlements for 1992.

The Directors are also pleased to report the settlement, in February of this year, of the indictments in Tampa, Florida which were mentioned in last year's report. Although a civil forfeiture

was imposed, the Group considers that the settlement was satisfactory and brings to an end an unhappy chapter. The incident had no significant negative impact on our global business, customer relationships or operating results. Our intention is to continue a presence in the USA. As noted in the attached Management Report, intensive work has taken place throughout the Group to strengthen procedures and controls and to develop a vigorous compliance function.

As projected last year, operating earnings improved from $192 million to $224 million over the previous year. Other positive developments included an increase to $18 billion in our traditional line of business of trade finance resulting in a substantial increase in commission and exchange income. Furthermore, the escalating operating expenses of previous years were not only capped, but were actually reduced.

The majority of locations in the Group produced better results in comparison with 1988. There has been a noteworthy increase in profitability in the Far East, the Gulf area and Africa. The Statement of Condition also demonstrates a gratifying growth in customers' deposits which allows us to remain independent of volatile money market funding sources.

We take this opportunity to acknowledge and thank the Central Banks and Regulatory Authorities in the countries where BCC operates for their continuing guidance and support.

Despite the setbacks there have been many encouraging developments during 1989 and the Directors intend to build on these in 1990 beginning with a major reorganisation of the Group. Where appropriate we shall consider operations

and significantly reduce administrative expenses by reorganising the Group's Management. We look forward to the opportunities presented by the increased integration of major markets which our extensive global network is well suited to serve. Technological updating will be vigorously pursued. Renewed emphasis will be placed on the allocation of enhanced capital resources to optimise our return on investment. The Group faces the future with renewed strength and a positive attitude and is confident of the support of shareholders, regulators, customers and staff.

305. The 1989 Annual Report also contained a Report of Management, which stated:

> [T]he management has re-evaluated the asset portfolio of the Group and assessed its carrying value in the light of current global market conditions. . . .
>
> The exercise has been exhaustive resulting in a substantial loan loss provision in the 1989 accounts of $600 million . . . [which is] considered satisfactory. The balance, besides an allocation of general provision, includes a significant charge of approximately $300 million against a limited number of commercial loans which were being centrally monitored and against which it was considered prudent to make a special provision. As a result, the Group has shown a net loss of $498 million for 1989.
>
> The cumulative provision now carried on the Books of the Group exceeds $1.1 billion against gross loans of $11.4 billion, a conservative level reflecting the global uncertainties in the banking industry.

It is with a great sense of satisfaction that we are able to report the major support given by the Government of Abu Dhabi in this respect. Not only have they subscribed $400 million in new capital – largely eliminating the negative impact on the Capital Funds position of the Group – but even more significantly, this has resulted in the Abu Dhabi Government, along with related Abu Dhabi institutions having now acquired over 77% of the shares of the parent company of the Group, BCCI Holdings (Luxembourg) S.A., thus providing an increasingly solid and sound foundation.

The shareholders have indicated to the Directors their desire to restructure and reorganise the Group over the next year or two so that its real strength and earning potential can be brought into focus and enhanced, and its weak areas either strengthened or shed, which should result in a significant expense reduction.

- Notwithstanding the difficulties described above, the Group has made significant progress in 1989 in the following areas:

- Number of customer relationships has increased globally to over 1.3 million.

- Growth in deposits, which now total nearly $18.5 billion despite the distractions caused by the proceedings in the USA.

- Assets of over $23 billion.

- Global trade finance business exceeding $18 billion.

- Gross income in excess of $2.6 billion.

- Complete halt in the escalation of operation costs worldwide as against increases averaging more than 12% per annum over the preceding years.

* * *

Liquidity

Enhanced efforts to maintain high liquidity resulted in an increase in liquid assets from $9.8 billion to $12.4 billion during the year. At the year-end, liquid assets represented 52% of the total Consolidated Balance Sheet, against 47% last year.

The investment portfolio totalling $1.812 million, slightly below the 1988 level, continues to consist primarily of US Treasury stock on which there has been a significant recovery in the underlying market value and US and other Government Bonds and Notes. In the proposed reorganisation of the Group, the treasury operations will be further rationalised and restructured.

* * *

Operating Results

The Group's operating profit increased from $192 million in 1988 to $224 million in 1989, before taxes, provisions and extraordinary items. This result is in line with management estimates for the year. . . .

* * *

[T]he Group's overall asset re-evaluation referred to above, and partly from the increase in US Dollar interest rates in relation to our substantial fixed-income investment portfolio. The significant provisions set aside in 1989 and

the replenishment of capital are expected to reduce substantially the negative impact of non-accruals.

Operating Expenses

In last year's report, Management had expressed its concern at the continuing increase in operating costs which had risen at an average of 12% per annum over the last several years. It had indicated its serious intent to bring this critical aspect of operations under control. Progress has been made in this area resulting in a marginal reduction from $584 million in 1988 to $575 million in 1989 notwithstanding the global inflationary effects.

Further stringent action is planned which is expected to bring about significant cuts in operating costs in 1990 and after.

* * *

Prospects for 1990

Given the major restructuring in shareholding and the more direct overview from Abu Dhabi, 1990 is expected to show significant changes in the Group's global structure.

However, BCC's essential market niche is not expected to change in the near future. Our basic business will be commercial banking through deposit funding with enhanced focus on asset quality.

Greater attention will also be placed on product development and delivery systems. As an international banking Group whose core business is, and will remain, trade finance, BCC will upgrade computer support systems to permit the Group to make full use of its extensive

> branch network. Negotiations with suppliers are at an advanced stage and it is anticipated that we shall shortly order new systems both for commercial banking and treasury operations.
>
> The BCC Group will seek to increase its competitiveness by strict overhead expenditure controls and a continued policy of funding through relationship-based customer deposits inevitably, increasing emphasis will need to be placed on "return on capital" and "return on assets" in a period of increasing focus on capital adequacy.
>
> With the support of our new shareholders we are confident that a bright future awaits the Group.

306. BCCI's 1989 financial statements showed assets of $23.5 billion, total capital of $1.0 billion and a loss of $497 million. The opinion issued in the name of Price Waterhouse on these financial statements stated:

> We have audited the consolidated accounts of BCCI Holdings (Luxembourg) S.A. . . . in accordance with International Auditing Guidelines. These accounts have been drawn up on the basis described in Note 1.
>
> In our opinion the consolidated accounts give a true and fair view of the financial position of the group at December 31, 1989 and the results of its operations and changes in financial position for the year then ended in accordance with International Accounting Standards.

307. The foregoing representations, statements, financial statements and opinions were each materially false and misleading when issued, were the type of representation that was considered important by a potential or

existing depositor and were, in fact, relied on by such potential and existing depositors to deposit money in or retain existing deposits of money in the BCCI Banks. In addition, it is impossible for a bank like BCCI to operate and to solicit and accept deposits unless it has the permission to do so from banking regulators in several countries, which permission cannot be obtained or maintained absent the submission of audited financial statements showing adequate capital and liquidity for safe operation supported by the opinion of a reputable independent certified or chartered public accountant.

308. For the years 1984 forward, BCCI's financial statements were materially overstated in their reported assets, net worth, profit and liquidity and its liabilities were materially overstated – by hundreds of millions of dollars and its 1989 loss was understated. *Examples* of the types of transactions which resulted in these material misstatements are set forth below:

(a) Beginning in 1984, BCCI had made what ultimately totalled some $856 million in loans to the Ruler of Fujeirah, Ruler of Ajman, al-Fulaij, Shorafa, Khalil, Jawhary, Adham and Midguld and Rubstone Trading (owned by M.M. Hammoud) and which the Bank was recording over $130 million per year in income and which were supposedly secured by shares in Credit and Commerce American Holdings. The value of the security, however, was never even close to equivalent to the amount of the loans and most of the CCAH shares supposedly pledged as security had never been formally pledged. In addition, there were signed promissory notes for only $270 million of the $856 million; by 1990, and no signed loan agreements existed for many of the loans.

These loans were constantly increased year to year to pick up interest on the loans which was not being paid and hundreds of millions of such loans were made without formal lending committee and board approval. By 1990, at least five of these nine borrowers refused to even acknowledge these loans from BCCI;

(b) For many years, BCCI made large loans to Adham which totalled (exceeding his CCAH "secured" loans) over $207 million and on which the Bank was recording income of over $30 million per year. However, there were never any formal loan agreements covering these huge loans, Adham had not submitted any financial statements to support these loans and the security for these loans was of dubious value;

(c) From the early 1980's at least, BCCI had outstanding large loans to A.R. Khalil, totalling $150 million by 1989 and on which BCCI was recording some $26+ million a year in income. However, Khalil had little if any direct contact with BCCI after 1985, refused to confirm the loan after 1985, and the interest on the loans had been "paid" for several years by loaning additional funds – over $70 million – even though BCCI was told by its accountants this was improper;

(d) For many years, BCCI was making large loans to the Gulf Group – a Pakistan shipping company owned by the Gokal brothers, which aggregated over $700 million in 1989 and on which BCCI was recording income of about $74 million per year. These loans increased dramatically from 1986 on, largely because the

Gulf Group could not pay the interest on the loans without additional loans being made. In addition, there was no evidence to support the value of the security;

(e) In October, 1989, BCCI advanced some $146 million to the Mahfouz family (including Shiekh Khalil Bin Mahfouz) without any stated or disclosed purpose for the loan and without any loan agreements, promissory notes or security documentation;

(f) In the 1980's and thereafter, BCCI made large loans – over $53 million – to Saudi Development and Commercial Company, without obtaining any information on the nature of the company's operations or its financial position – including not even obtaining financial statements – based on security worth less than $6 million;

(g) By 1988, BCCI had loaned, in a series of loans, over $108 million to M.M. Hammoud, a Lebanese businessman, and companies he supposedly owned or controlled, without obtaining any proof Hammoud actually owned these companies; a significant number of such loans were non-performing;

(h) For many years, BCCI made large loans to the Saigol family, which aggregated over $43 million by 1991. The loans were constantly overdue and were transferred between family members when repayment was not possible. Often loans were made at one BCCI branch to repay loans due through another BCCI branch;

(i) In November, 1988, BCCI disbursed $11.2 million to a Grand Cayman account no. 11011103 without obtaining any documentation to support that advance;

(j) For many years, BCCI made huge loans to the Pharaon Brothers (Wabel and Ghaith) which by 1989 totalled $390 million and on which BCCI was recording millions in income. There were no loan agreements or promissory notes to support these huge requests and hundreds of millions in loan disbursements were not supported by any writings or direction from the Pharaons. This loan was over $100 million over BCCI's legal lending limit;

(k) BCCI had over $41.3 million in loans at its Grand Cayman office which were all grossly delinquent loans from other BCCI branches which had millions in delinquent interest and were very inadequately documented;

(l) BCCI had loans exceeding $147 million to Faisal Saud al-Fulaij, a Kuwait businessman, and his Middle East Investment Company by 1989, for which there were no loan agreements and no signed promissory note and upon which interest was seldom paid – thus requiring BCCI to loan large additional amounts to make the loans appear current;

(m) BCCI had $151 million in loans to Prince International Holdings and International Medical Corporation Group by 1989, which could not be paid because the underlying DMC project could not service the loan and there was no source of income to repay the loans;

(n) BCCI had loans to Al Haji Sultan Fadel, first made in 1985, which totalled $35 million by 1989. Interest was not paid on these loans and there was no evidence of the ability of Fadel to service this loan;

(o) BCCI made loans for years to Shiekh Hamdan Bin Mohammed al-Nahayan which totalled $109 million in late 1990, for which no financial statements were provided and no signed loan agreements or notes were provided; and

(p) Most of the loans described in the preceding paragraphs have been and are uncollectible and are delinquent and should have been written off long ago.

[Complaint Excerpted Here]

COUNT II

VIOLATIONS OF SECTIONS 1962(c) AND (d) OF RICO

343. Plaintiffs incorporate by reference and reallege each of the foregoing paragraphs as if fully set forth herein.

344. This claim for relief arises under §§ 1962(c) and (d) of RICO and is asserted against all defendants.

345. Plaintiffs are each a "person" as that term is defined in § 1961(3) of RICO.

346. Defendants are each a "person" as that term is defined in § 1961(3) of RICO.

347. BCCI and/or the BCCI Banks are each an "enterprise" as that term is defined in § 1961(4) of RICO. At all times relevant to the events alleged herein, defendants were employed by and/or associated with BCCI or, in the alternative, the BCCI Banks or, in the alternative, an association-in-fact of the defendants, all of which were engaged in and the activities of which affected interstate and foreign commerce. Plaintiffs allege that the pattern of

racketeering activity and the operation of the BCCI criminal enterprise and/or the association-in-fact enterprise were one in the same and that the operation of the BCCI Banks, as conspired in and aided and abetted by the other defendants, was an entirely criminal operation and Ponzi scheme based on illegal predicate acts, false financial statements and regulatory filings and misuse and diversion of depositors' funds.

348. (a) As alleged above, defendants have engaged in, conspired to commit, and/or aided and abetted a pattern of criminal acts including, but not limited to, the issuance of false and misleading financial statements and regulatory filings and reports, constituting multiple acts of (a) bribery, or attempted bribery in violation of 18 U.S.C. § 201; (b) mail fraud in violation of 18 U.S.C. § 1341; (c) wire fraud in violation of 18 U.S.C. § 1343; (d) bank fraud in violation of 18 U.S.C. § 1344; (e) obstruction of justice in violation of 18 U.S.C. §§ 1503, 1510, 1511 and/or 1512; (f) engaging in interstate and/or foreign travel in aid of racketeering enterprises in violation of 18 U.S.C. § 1952; (g) laundering monetary instruments in violation of 18 U.S.C. § 1956; (h) interstate transportation of stolen property and/or Travel Fraud in violation of 18 U.S.C. §§ 2314 and 2315; (i) drug offenses; and (j) fraud in the sale of securities which, in turn, constitute "racketeering activity" as that term is defined in § 1961(1) of RICO, 18 U.S.C. § 1961(1). Each such act of racketeering activity had similar purposes, involved the same or similar participants and methods of commission and had similar results impacting upon similar victims, namely plaintiffs and the members of the class, and thus constituted a "patter of racketeering activity" as that term is defined in

§ 1961(5) of RICO, 18 U.S.C. § 1961(5). Each defendant agreed and conspired with the other defendants and co-actors to commit the above referenced predicate acts of racketeering activity and to violate §§ 1962(c) and (d) of RICO.

(b) The activities of the BCCI enterprise and/or the association-in-fact enterprise were synonymous with the pattern of illegal racketeering activity detailed herein. The pattern of racketeering activity did not differ from the usual and daily activities of the BCCI or association-in-fact enterprise since every day they operated as a criminal enterprise by (i) lying to the United States and other banking regulators; (ii) publicly disseminating false financial statements and information; (iii) concealing adverse material information about its operations; and (iv) misusing and stealing depositors' funds. Thus, the daily activities of the enterprise(s) differed little, if at all, from the pattern of racketeering activity alleged herein.

(c) Description of Specific Predicate Acts, Dates of Predicate Acts, Statutes Violated

Among the illegal acts constituting the pattern of racketeering activity and violation of the laws of nations and treaties of the United States carried out by the BCCI Banks and the defendants herein were the following (9(a)-(i)) is expressly incorporated herein by reference:

(d) Illegally obtaining and maintaining control for BCCI of NBG, First American, CenTrust and Independence Bank in the United States by lying to the FRB and other federal banking agencies and regulators in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire

Fraud) and 18 U.S.C. § 1344 (Bank Fraud), including the preparation and filing by mail of Forms Y-6 and Y-7 on an annual basis. With respect to each illegal acquisition, these predicate acts occurred during the time periods indicated: NBG (1975-1991); First American (1978-1991); CenTrust (1985-1991); and Independence Bank (1985-1991). Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, al-Mazrui, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib and Bank of America;

(e) Using its United States agency offices to finance illegal drug transactions committed by Pablo Escobar and Jorge Ochoa, leaders of the Medellin drug cartel, including transactions involving the illegal transportation of narcotics into the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity) and 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable

Under Laws of U.S.). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Noriega, Lamarche, van Oenen, al-Mazrui, Hartmann, Twitchin, Shafi and Bank of America;

(f) Misusing for illegal purposes and/or stealing (*i.e.*, siphoning off) the BCCI Banks' deposits, including portions of the deposits of U.S. residents and citizens, portions of which had been obtained in the United States and diverted portions of which were, in part, used in this country to finance BCCI's illegal infiltration of the United States banking system, to pay off Clifford and Altman and to make payments to obstruct United States justice in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi,

Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Bank of America and Hill & Knowlton;

(g) Assisting Munther Ismael Bilbeisi (brother of a BCCI regional manager) through its Miami, Florida, operations to smuggle $35 million worth of coffee into the United States and sell it to U.S. buyers, in part through funds and false documents it made available, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1983-1985. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi;

(h) Assisting now-deposed and arrested Panamanian dictator Noriega in looting that country's treasury and stealing its public monies by secretly transferring those funds out of Panama to Noriega's secret bank accounts located elsewhere, in part, via transfers through BCCI's U.S. agency offices and First American in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343

(Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford, Altman, Scoffone, Beddow and Adams;

(i) Laundering the proceeds of illegal narcotics activities through its Miami, Florida, offices. Several BCCI operatives were convicted of these charges in United States District Court and BCCI pleaded guilty, paid a $15 million fine and was placed on probation for five years for violations of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1988. Along with BCCI, the defendants who directly participated in these predicate acts were Abu Dhabi, Abu Dhabi

Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(j) Making illegal political contributions in the United States, in substantial part through CenTrust's PAC, its officers, top customers and certain of their associates, as well as Goland and Viking Savings, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred during 1985-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul and Goland;

(k) Assisting Arif Durrani, a Pakistani weapons dealer, to illegally sell and ship (*i.e.*, smuggle) arms to Iran, for which Durrani has been convicted in United States District Court and sentenced to 10 years imprisonment, via letters of credit and monetary transfers from BCCI's Los Angeles, California, office in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity). These predicate acts occurred during 1986. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance,

Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi;

(l) Undertaking to obtain and exercise political influence to hinder, halt, deflect or delay any investigation into their conduct in the United States or by U.S. law enforcement authorities and to prolong their conspiracy by hiring a phalanx of United States lobbyists and often paying them excessive fees, making huge and often illegal political contributions in the United States through, *inter alia*, CenTrust (as described above), Clifford and Altman, and having First American make large loans on generous terms to U.S. political figures through First American in violation of 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 1341 (Mail Fraud) and 18 U.S.C. § 1343 (Wire Fraud). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Hill & Knowlton, Paul, Independence Bank, Dobrich, Shoaib, Goland and Bank of America;

(m) Circulating by mail and wire within and into the United States BCCI's false and misleading financial statements, as well as other false statements made by BCCI and its co-conspirators, to the effect that BCCI was not operating illegally in the United States, was well capitalized, had sufficient liquidity, was well-managed

and was working closely and cooperating with regulators, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises). These predicate acts occurred during 1985-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Independence Bank, Dobrich, Shoaib, Bank of America and Hill & Knowlton;

(n) By engaging in fraudulent sales of securities in the United States and deceptive and dishonest acts in connection with CenTrust's "selling" $150 million in subordinated debentures in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1961(1)(D) (Fraud in Sale of Securities). These predicate acts occurred during 1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul and Bank of America;

(o) By engaging in financial institution, bank, mail and wire fraud in the United States in helping to falsify CenTrust's apparent financial condition to avoid its regulatory seizure, keeping that bank operating for one or two more years and causing the United States government to spend hundreds of millions of dollars more to "bail out" that bank when it was finally seized, all in violation of 18 U.S.C. § 1341 (Mail Frauds), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred during 1986-1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Paul;

(p) Covering up its illegal activities in the United States by making repeated false statements denying BCCI's actual control of First American, CenTrust, NBG and Independence Bank, by arranging for a plea bargain in connection with a money-laundering plea in federal district court in Florida that could bar any further criminal prosecution of BCCI by federal authorities, and by lying to federal investigators and grand juries, paying off employees not to "blow the whistle" and advising one or more witnesses (*i.e.*, Amjad Awan) to leave this country to avoid giving testimony to federal law enforcement or investigating agencies in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1503, *et seq.* (Obstruction of Justice), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses),

18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton;

(q) By helping its Los Angeles agency to funnel at least $3 million in illegal proceeds from an Orange County, California, telemarketing scheme out of the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(r) By illegally financing or attempting to finance the sale of French-manufactured military fighter aircraft owned by Argentina to third world countries,

including Saddam Hussein's Iraq, from its Miami, Florida, office, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity). These predicate acts occurred during 1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(s) By financing international terrorism, including financing and assisting the notorious ANO organization, financing the purchase, sale and delivery of illegal arms (including arms shipped to Saddam Hussein's Iraq) by Abu Nidal and some 10 others, including Samir Najmeddin, through some 42 accounts involving $50 million in BCCI's London Bank, all in violation of 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Lamarche, van Oenen, Twitchin and Shafi;

(t) By assisting the former President of Peru, Alan Garcia, to steal millions from his nation's treasury and funneling the money to secret accounts via the BCCI Bank systems in violation of 18 U.S.C. § 1341 (Mail

Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(u) By paying some $3 million in bribes to Peruvian bankers to obtain deposits from Peru's Central Bank in violation of 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1986-1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(v) By helping Munther Ismael Bilbeisi illegally sell Jordanian helicopters to Guatemala at inflated prices so that he could pay kickbacks to relatives of the President of Guatemala and certain high military officials in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of

Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sh_ikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(w) Committing bank, financial institution, mail and wire fraud in the United States by illegally obtaining and maintaining control of four American banks, *i.e.*, First American, NBG, CenTrust and Independence Bank, through the use of secretly compensated nominees and the filing of false statements and reports with the FRB and other regulatory authorities, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Ernst & Young, Ernst & Young/US, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton;

(x) In 1988, purchasing (*i.e.*, "parking") some $35 million in junk bonds issued by CenTrust in the United States in order to artificially prop up its financial condition at a time when regulators were bearing down on it and threatening to close it. Those bonds were repurchased from the BCCI Banks and other straw parties by CenTrust at face value shortly after the regulators' inspection of CenTrust had been concluded. This transaction was undertaken in a deliberate effort to deceive American bank regulators and to help a fraudulently-operated savings and loan to stay open longer, which ultimately inflicted great damage on American taxpayers and constituted, *inter alia*, financial institution fraud, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1961(1)(D) (Fraud in Sale of Securities). These predicate acts occurred during 1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, Paul and Bank of America;

(w) Causing First American to purchase Pharaon's interest in NBG (which was actually BCCI's interest) in 1985 at a grossly inflated and unfair price, thus funneling at least $220 million to the BCCI Banks, which monies were utilized by it to help cover up and perpetuate its ongoing fraud, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of

Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance and Bank of America;

(z) Paying bribes to top officials of the Peruvian Central Bank in order to induce them to cause the government of Peru to place funds in the BCCI Banks and paying a $32 million bribe to the former manager of its investment activities in London in order to prevent him from exposing the ongoing fraud and criminal conduct ongoing at the BCCI Banks to a United States Senate Subcommittee, which payment was known to and approved by BCCI's then-auditors, Ernst & Young and/or Ernst & Young/UK, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1986-1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Ernst & Young, Ernst & Young/UK Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell,

Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(aa) Permitting the BCCI Banks' branches in Florida to engage in financing illegal narcotics transactions and to engage in money laundering transactions on behalf of drug dealers and then, when that activity was discovered by law enforcement officials, using its political influence to obstruct justice and obtain an improper plea bargain agreement which permitted it to pay a paltry $15 million fine, while securing an agreement from federal law enforcement officials which was grossly overbroad because it purported to commit the United States not ever to charge the BCCI Banks or their affiliates "with committing any other federal criminal offenses under investigation or known to the government at the time of the execution of this agreement or relating in any manner to the charges disposed of by the agreement," all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies), 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies), 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred in 1984-1989. The defendants who directly or

indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Bank of America and Hill & Knowlton;

(ab) Manufacturing false documentation to facilitate inflation of account turnover and concealment of outflows of funds involving over 6,500 accounts during a 15-year period, including activities to hide over $600 million in deposits by treating them as unrecorded deposits, thus grossly distorting the Banks' financial statements and making hundreds of millions of dollars of fictitious loans, which were nothing more than transfers of money to BCCI insiders and those with whom those insiders had incestuous business and other relationships, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1976-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi;

(ac) Acting as personal bankers for and engaging in illegal currency transactions and secret transfers of monies on behalf of Noriega and helping Noriega to loot Panama's national treasury through a series of transactions by which they permitted and assisted those parties to appropriate government monies for their own personal use, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies), 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi;

(ad) Stealing depositors' monies, including portions of the deposits belonging to U.S. residents and citizens, by permitting BCCI insiders and their friends, relatives and business associates to obtain huge loans that would never be repaid and, in some instances, simply taking the money, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful

Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly and indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Hartmann, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton;

(ae) Illegally accepting deposits in the United States from U.S. citizens and/or residents, in part with the help of Bank of America and First American, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, al-Mazrui, Hartmann, Lamarche, van Oenen,

Twitchin, Shafi, First American, Clifford, Altman, Scoffone, Beddow, Adams and Bank of America.

(af) Details of False and Misleading Statements Constituting Predicate Acts of Mail Fraud, Wire Fraud and Fraud in the Sale of Securities

A substantial part of the wrongdoing complained of herein consisted of the dissemination of false and misleading statements to the public made by BCCI, its officers, directors, lawyers and accountants in BCCI's annual and other periodic reports, press releases and other public statements, contained in BCCI's financial statements (including the certifications thereof by its auditors) and in filings with United States and other banking regulators relating to BCCI's financial condition, methods of operation, the nature of its operations in the United States and its control of First American, Independence Bank, NBG and CenTrust. The overall purpose and effect of these misstatements was to communicate to potential depositors, the financial community generally and regulators that BCCI was a financially strong, well-capitalized bank which was being operated in a conservative and prudent manner and in substantial compliance with applicable banking and other laws and had a good working relationship with banking regulators in various jurisdictions, including the United States.

(ag) The false narrative statements contained in BCCI's 1986, 1987, 1988 and 1989 annual reports are specified in ¶¶297-306 hereof and the false and misleading portions of those annual reports are quoted in those paragraphs. Copies of those reports are attached as Exhibit 4 hereto and a review of each report will indicate

which individual defendant made each of those false statements. The statements contained in those annual reports were affirmatively false and misleading in their own right and each of those statements and the annual reports as a whole were also false and misleading in failing to disclose the material adverse information about BCCI, its finances and the nature of its operations as detailed in ¶291(a)-(ao) hereof.

(ah) Thousands of copies of those annual reports were printed and distributed by BCCI each year, beginning as soon as the auditor's certification of the prior year's financial statements could be obtained, hence, the BCCI annual report for 1986 was printed and distributed beginning in the Spring of 1987 and so on for each year. Each annual report was distributed by BCCI in a widespread manner to the financial press, throughout the financial community and banking community and were also distributed at each of its offices (including its agency offices located in the United States) and copies were given to potential and existing BCCI depositors, as well as to regulators in the various jurisdictions where BCCI was operating throughout the succeeding year, including the United States. In addition to BCCI, the persons having a duty to make true and complete disclosure of material information in these BCCI annual reports included Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Hartmann, Rizzi, Akbar, Ahmad, Lamarche, van

Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Shoaib, Bank of America and Hill & Knowlton.

(ai) The accounting firm defendants had a duty of true and complete disclosure because they were each associated with BCCI's annual reports because to the inclusion of their opinions on or certifications of the financial statements in those annual reports and they knew of the existence of the adverse material facts particularized in ¶291(a)-(ao) hereof. These defendants knew that the existence of those facts made the affirmative representations contained in the annual reports and specified in ¶¶297-306 hereof false and misleading. The Abu Dhabi defendants, Pharaon (and his controlled alter ego entities), BCCI's officers and directors and the Bank of America were each in a position to control BCCI when these false annual reports were issued and each was aware of the material adverse facts specified in ¶291(a)-(ao) hereof and that they made the positive statements in annual reports specified in ¶¶297-306 hereof false and misleading. Defendants Abedi, Naqvi, Iqbal, Awan, al-Mazuri, Hartmann, Rizzi, Shoaib, Akbar, Ahmad, Lamarche, van Oenen, Twitchin and Shafi were BCCI's officers or directors when these annual reports were issued and each had knowledge of the material adverse information about BCCI specified in ¶291(a)-(ao) hereof and knew that those facts made the positive statements about BCCI contained in the annual reports and specified in ¶¶297-306 hereof false and misleading. Defendants First American, Clifford & Warnke, Clifford, Altman, Beddow and Adams were also aware of the issuance of the BCCI annual reports, the adverse material

facts about BCCI specified in ¶291(a)-(ao) hereof and knew that those facts made the positive assertions about BCCI contained in those annual reports and specified in ¶¶297-306 hereof false and misleading. Each of these above-named defendants was in a position to prevent the circulation of the false and misleading BCCI annual reports, or to cause the disclosure of information which would have exposed their false and misleading nature.

(aj) BCCI's 1986, 1987, 1988 and 1989 annual reports also contained BCCI's annual financial statements for each of those years. In addition, BCCI's annual financial statements were also distributed in a free-standing manner, examples of which are set forth in Exhibit 3 hereto. These financial statements were distributed by BCCI in the same manner as BCCI's annual reports, as described above. BCCI's annual financial statements, as contained in BCCI's annual reports and as distributed on a free-standing basis, contained opinions in the name of Ernst & Young for the year 1986 and Price Waterhouse for the years 1987, 1988 and 1989. The text of those opinions, which were false and misleading when issued, are set forth in ¶¶298, 300, 303 and 306 hereof and appear in Exhibits 3 and 4 hereto. These opinions on or certifications of BCCI's financial statements were distributed in the same manner and in the same way to the same persons and at the same times as BCCI's annual reports. These financial statement certifications were false and misleading due to the failure to disclose material adverse facts concerning BCCI's finances and methods of operation which were then known by Ernst & Young, Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg at the time of their certification of BCCI's 1986

financial statements in the name of Ernst & Young and with respect to Price Waterhouse and Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg and its certification of BCCI's 1987, 1988 and 1989 financial statements in the name of Price Waterhouse as specified in ¶291(a)-(ao) hereof and also for the reasons specified in ¶308 hereof.

(ak) In addition to its annual reports, which BCCI prepared and distributed widely on an annual basis, BCCI also prepared and disseminated in a similar fashion other literature providing information about its financial condition and the nature of its operations. An example of such material is contained in Exhibit 5, which was widely disseminated by BCCI in the countries where it operated, including in and through its United States agency offices, during 1985. The false and misleading narrative portion of that pamphlet is specified in ¶296 hereof. The financial statements contained therein were false for the same reason BCCI's 1986 financial statements were false and misleading, as specified above.

(al) Throughout the 1980's, BCCI's top officers also issued statements to the financial press, many of which were distributed by mail or wire, which were publicly reported to the effect that BCCI was operating in a lawful manner, was conservatively managed and was well-capitalized. An example of such statements, this one made in 1988 by Abedi, is quoted in ¶296 hereof and which was false due to the failure to disclose the negative adverse information about BCCI known to Abedi as specified in ¶291(a)-(ao), which Abedi had a duty to disclose due to his position with BCCI and his knowledge of those adverse facts.

(am) Each time BCCI secretly acquired control of a bank located in the United States, it and certain defendants who were cooperating with it filed by mail false applications, reports, forms and other documents with federal banking regulators to make it appear that other persons (*e.g.*, Pharaon, Adham, Khalil, Jawhary, al-Fulaij, CCHA and other defendants) were acquiring control of those banks. Section 3(a) of the BHC Act, 12 U.S.C. § 1842(a), makes it unlawful for any company to own or control, directly or indirectly or acting through one or more other persons, 25% or more of the voting shares of a bank, or for any bank holding company to acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank without the prior approval of the FRB Board of Governors. In acting on applications for approval under § 3(a), the Board considers the financial and managerial resources of the companies and banks concerned, as well as the activities of the applicant company under the BHC Act and the IB Act. *See* 12 U.S.C. §§ 1842(c) and 3106(c). BCCI violated § 3(a) of the BHC Act in connection with its acquisition of First American, Independence Bank, CenTrust and NBG by mailing false acquisition applications and documentation, which disguised and concealed its ownership or control of over 50% of the voting shares of each of these banks.

(an) Section 5(c) of the BHC Act, 12 U.S.C. § 1844(v)(c), § 8(a) of the IB Act, 12 U.S.C. § 3106(a), and § 225.5 of Regulation Y, 12 C.F.R. § 225.5, require bank holding companies and foreign banks with U.S. branches or agencies and their parent companies to submit periodic reports to the FRB, including quarterly, semi-annual and yearly reports on Forms Y-6, Y-7 and Y-9. In part,

these reports require the disclosure of a bank holding company's interests in its subsidiaries. In each filing after the date of its acquisition of control of First American, Independence Bank, CenTrust and NBG and until late 1991, in violation of § 5(c) of the BHC Act, § 8(a) of the IB Act, and § 225.5 of Regulation Y, BCCI submitted, by mail, false and misleading reports on Form Y-7 because it never disclosed its interest in and control of Independence Bank in any required regulatory filing with the FRB. The defendants who were responsible for those filings, participated in their preparation and knew them to be false included Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazuri, Hartmann, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland and Bank of America.

(ao) More details of the false and misleading statements sent by mail and/or interstate wire facilities by certain of the defendants herein with respect to each of these illegal acquisitions is set forth in detail in certain of the Exhibits hereto, which are specifically incorporated by reference herein:

(i) *First American Bank Acquisition*: The details of the false and misleading statements made to the FRB by BCCI, Altman, Clifford and Clifford & Warnke in connection with the First American acquisition are detailed in ¶¶54-193 hereof and in the indicated Exhibits hereto:

United States v. BCCI, No. 91-0655-Superseding Information (Exhibit 11), pages 24-25 and 37-40; and

In re BCCI, et al., Federal Reserve No. 91-043, *et seq.* (Exhibit 20), pages 9-67;

(ii) *Independence Bank Acquisition*: The details of false and misleading statements made by Pharaon, Shoaib and Dobrich in connection with the Independence Bank acquisition are detailed in ¶¶243-282 hereof and in the indicated Exhibits hereto, which are specifically incorporated by reference herein:

United States v. BCCI, No. 91-0655-Original Indictment (Exhibit 10), pages 9-17 and 25-27;

United States v. BCCI, No. 91-0655-Superseding Information (Exhibit 11), pages 16-18 and 40-46;

In re Pharaon, et al., Federal Reserve No. 91-0370 (Exhibit 19), pages 6-27;

Federal Reserve v. Pharaon, 91-Civ. 6250 (PKL) (S.D.N.Y. 1991) Complaint (Exhibit 17), pages 3-6, plus Exhibit A thereto, pages 4-9 (and Exhibits thereto); and

Federal Reserve v. Shoaib, Case No. CV 91-5152 DWW (C.D. Cal. 1991) (Exhibit 18), pages 3-8, plus attached Declaration;

(iii) *CenTrust Bank Acquisition; Securities Fraud and Illegal Political Contributions*: The details of the false and misleading statements made by Pharaon, Paul and others in connection with the CenTrust acquisition are detailed in ¶¶216-225 hereof, while details of the false and misleading statements made in connection with the CenTrust securities fraud scheme are specified in ¶¶226

and 231-240 hereof and in the indicated Exhibits hereto, which are incorporated by reference herein:

> *United States v. BCCI*, No. 91-0655-Original Indictment (Exhibit 10), pages 17-20 and 28-29;
>
> *United States v. BCCI*, No. 91-0655-Superseding Information (Exhibit 11), pages 18-21 and 46-49; and
>
> *In re BCCI, et al.*, Federal Reserve No. 91-043, *et seq.* (Exhibit 20), pages 76-77;

Further details as to the false and misleading statements made in connection with the CenTrust acquisition and debenture transaction and its illegal political contributions are set forth in the Senate Judiciary Subcommittee on Antitrust, Monopolies and Business Rights, attached as Exhibit 37 hereto.

(iv) *NBG Acquisition*: The details of false and misleading statements made by defendants in connection with the NBG acquisition are detailed in ¶¶194-215 hereof and in the indicated Exhibits, which are specifically incorporated herein by reference:

> *United States v. BCCI*, No. 91-0655-Superseding Information (Exhibit 11), pages 22-24 and 31-37; and
>
> *In re BCCI, et al.*, Federal Reserve No. 91-043, *et seq.* (Exhibit 20), pages 68-75;

(ap) After BCCI had secretly obtained illegal control of these banks, it was necessary for those individuals who were in control of or representing those banks to file annual reports with the FRB or other federal banking regulators on an annual basis, which reports when

filed were false and misleading because they misrepresented the actual ownership and control of those banks and failed to disclose that BCCI was, in fact, the controlling owner of each of those banks. These periodic reports on Forms Y-6 or Y-7 were prepared by the top managements of each of the banks in question and were filed with the appropriate government agency in the spring of each year. A list of the annual filings made by First American and CCHA with the FRB which were false and misleading in concealing BCCI's illegal control of these entities is set forth in Exhibit 39 hereto and are specifically incorporated by reference herein. The actual filings are available from the FRB and will reveal which defendants signed which false filing.

(aq) Because of its operation of agency offices in the United States, BCCI was also required to file periodic reports with the FRB, including a "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks," on a quarterly basis and a "Report of a Foreign Banking Organization" on Form Y-7 on an annual basis. Examples of these reports are attached as Exhibits 33 and 34 hereto and are specifically incorporated herein by reference.

(ar) BCCI filed its quarterly and annual reports with the FRB for each of the years above specified by mail. The Annual Reports each contained BCCI's financial statements and the auditor's opinion thereon, which were false for the same reasons set forth above. Each of these reports also misrepresented that BCCI was not doing business in the United States directly through branch offices, did not control more than 5% of any United States bank and concealed its illegal acceptance of

deposits from U.S. citizens through its agency offices here. The defendants who were involved in BCCI's filing of these false reports with the FRB included Price Waterhouse, Price Waterhouse/US, Price Waterhouse/ UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, al-Mazuri, Hartmann, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman and Bank of America.

(as) Defendants also engaged in securities, mail and wire fraud relating to transactions in CenTrust debentures, as detailed in ¶226 hereof. In addition, the details of the predicate acts committed in furtherance of that scheme, including the specific dates of illegal acts, false mailings, and the like, are set forth in the indicated Exhibits hereto, which are specifically incorporated by reference herein:

> *United States v. BCCI*, No. 91-0655-Original Indictment (Exhibit 10), pages 17-20 and 28-29;
>
> *United States v. BCCI*, No. 91-0655-Superseding Information (Exhibit 11), pages 18-21 and 46-49;
>
> *In re BCCI, et al.*, Federal Reserve, No. 91-043, *et seq.* (Exhibit 20), pages 76-77;

349. (a) In violation of §§ 1962(c) and (d) of RICO, defendants conspired to conduct and/or participate, directly or indirectly, in the conduct of the affairs of BCCI and/or the BCCI Banks and/or the association-in-fact enterprise, and/or conducted and participated, directly

or indirectly, in the conduct of the affairs of such enterprises through the above-referenced pattern of racketeering activity.

(b) The following defendants were employed by the BCCI enterprise and/or the association-in-fact enterprise: Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young (successor to Ernst & Whinney), Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Capcom, Lamarche, van Oenen, Twitchin, Shafi, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Clifford & Warnke, Clifford, Altman, the other partners of Clifford & Warnke named as defendants herein, Scoffone, Beddow, Adams, Lance, Paul, Dobrich, Shoaib, Goland and Hill & Knowlton.

(c) The following defendants were associated with the BCCI enterprise and/or the association-in-fact enterprise: each defendant listed in ¶349(b), as well as Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed al-Nahayan, Pharaon and the various Pharaon entities (*i.e.*, the InterRedec Defendants) Adham, Khalil, Jawhary, al-Fulaij, Noriega, First American, Independence Bank, Bank of America, Magnes and Romrell.

(d) Plaintiffs further allege that the same entity is *not* both the liable person(s) and the enterprise under § 1962(c).

(e) Description of Conspiracy

Defendants Naqvi, Abedi and Bank of America commenced a conspiracy beginning on a date before January 1, 1972, which was later joined in by other defendants

and they pursued that conspiracy until at least July, 1991, when the BCCI Banks were seized by United States and other nations' regulators. The essence of the conspiracy was to start, purchase and/or obtain control of banks and thereby obtain access to deposits which would then be used for illegal purposes, stolen, diverted, or used to benefit BCCI insiders, their relatives and their business associates, in part by convincing depositors, regulators and other banking and financial institutions, by means of false representations and false information, that BCCI was operating lawfully and that it was a safe financial repository and institution for funds, thereby persuading depositors and banking and other financial institutions to provide the BCCI Banks with deposits and credit. In addition to obtaining money (deposits) from persons and to use that money to benefit the participants in the conspiracy, their families, friends and business associations, the purpose of the conspiracy was to finance a wide range of illegal but highly profitable activities worldwide, thereby generating additional monies for the benefit of BCCI insiders. Upon obtaining billions in deposits and other monies, the BCCI insider defendants could then steal, waste, or misuse the money or divert such funds by huge expenditures to benefit themselves and make unauthorized transfers and "loans" which they knew would never be repaid.

(f) Defendants carried out their conspiracy and common course of conduct by, *inter alia*, issuing false and misleading statements and filings with the United States and other government agencies, including the issuance of a series of false and misleading BCCI annual and other periodic reports, financial statements and other public

statements and releases, bribery of government officials and others, mail fraud, wire fraud, financial institution fraud, fraud in the sale of securities, obstruction of justice, dealing in narcotic or dangerous drugs, monetary transactions in property derived from unlawful activity and violations of the Currency and Foreign Transaction Reporting Act. These illegal acts in furtherance of the conspiracy are detailed in ¶¶10, 340, 348 and 356 hereto, as well as in Exhibits 6-21, which are incorporated herein by reference.

(g) As the conspiracy operated from 1972 forward, various defendants entered the ongoing conspiracy to perform important acts to further the conspiracy and to benefit from it. Each defendant was a direct, necessary and substantial participant in the conspiracy and pattern of racketeering activity complained of herein. Defendants Abedi, Naqvi, Bank of America and the other early stockholders of BCCI set out to form a huge international bank which, by appearing to be a growing, profitable enterprise operating in a lawful manner, would attract billions of dollars of deposits from all over the world which they would then be able to misuse and/or divert to benefit themselves, other BCCI insiders and their allies while continuing to expand the BCCI's operation. A key part of the conspiracy was to headquarter BCCI in secrecy jurisdictions, thus avoiding regulation or oversight by any major central bank or the regulators of any one major industrialized nation. In order to achieve this plan, especially the worldwide growth of BCCI and the secret and illegal infiltration of the United States banking system, it was necessary for BCCI, Abedi, Naqvi and the other BCCI insiders to secure the assistance of certain nominees

or strawmen to front for them in BCCI's illegal acquisitions of United States banks, *i.e.*, Adham, Khalil, Jawhary, Iqbal, al-Mazrui and others who would help them siphon off BCCI's assets, *i.e.*, Awan, Rizzi, Akbar, Capcom, Magness and Romrell. When BCCI's phony loans to its nominees/strawmen who would buy United States banks for it could not be serviced and this threatened to cause the conspiracy to unravel, the Abu Dhabi defendants increased their ownership interest in BCCI so that it could continue to operate and the prior wrongdoing described herein would not be exposed. The conspirators also needed the ongoing cooperation and assistance of other persons (*i.e.*, Lance, Paul and Goland), including professionals who would help it falsify BCCI's apparent financial condition, profitability and ability to repay depositors and would help conceal the illegal nature of its operations and permit it to infiltrate the U.S. banking system by, *inter alia*, lying to bank regulators. To this end, defendants recruited the Price Waterhouse defendants and Ernst & Young defendants and induced them to join the conspiracy; the latter actively assisted the conspiracy by providing BCCI with the certifications of its false financial statements, which were indispensable to BCCI's operations. To this end, they also recruited Clifford & Warnke, Clifford and Altman to participate in the conspiracy by helping BCCI secretly obtain control of United States banks. To assist in siphoning off depositors' funds, Capcom was formed and with the help of Magness and Romrell, was used by BCCI insiders to divert depositors' monies for the benefit of BCCI insiders and/or strawmen or nominees, principally through bogus foreign currency or gold bullion transactions. When rumors and adverse

news articles and publicity threatened to expose BCCI's illegal control of First American, Hill & Knowlton entered the conspiracy and agreed to circulate false and misleading information in the United States discrediting those accusations.

(h) In summary, the conspiracy was a complex and lengthy one in which participants played diverse but indispensable roles. Over time some defendants left the conspiracy, but they never revealed their knowledge of or participation in the wrongdoing. The overall goal of the conspiracy was to create and then maintain the appearance that BCCI was a huge international bank which was operating in a lawful and profitable manner while it obtained billions of dollars in deposits from individuals and business located all over the world so that those deposits could be misused and/or diverted to help continue the operation of the BCCI criminal enterprise and reward those individuals, professionals and firms who were playing an important role in helping that conspiracy continue to function.

350. (a) As a direct and proximate result of defendants' violations of §§ 1962(c) and (d) of RICO, plaintiffs and the members of the class have been injured in their business or property. Due to BCCI's false financial statements and its other false statements about the conservative and lawful nature of its operations BCCI was able to continue to operate and obtain deposits which were then wasted, misused or siphoned off by BCCI's insiders, with the help of the other defendants. Due to BCCI's criminal activities becoming known to United States and other government regulators, in July, 1991, these regulators seized BCCI and shut it down, thus halting its "Ponzi

operation," which resulted in depositors losing access to their deposits, and they will ultimately recover no more than 25% of their money. Under the provisions of § 1964(c) of RICO, plaintiffs and the members of the class are entitled to bring this action and to recover herein treble damages, the costs of bringing this suit and attorneys' fees.

(b) Causal Relationship Between Plaintiffs' Alleged Injury and Defendants' Violations of Section 1962(c) and (d)

Each plaintiff and member of the class was injured in their business or property when the BCCI criminal enterprise or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations regarding its substantial assets, profitability, lawful operations and ability to honor depositors' claims, which would not have been possible had defendants not assisted in the continued operation of the BCCI or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or the conduct of its business. BCCI depositors lost access to all of their deposits and lost a significant amount of those deposits forever when United States regulators determined that BCCI was operating illegally in this country by illegally controlling the operations of First American, CenTrust and Independence Bank, and in participating in predicate acts, such as financing drug dealers, arms merchants and engaging in money laundering in or affecting this country, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its

depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors lost approximately 70%-90% of the face amount of their deposits plus interest accrued thereon subsequent to the date of seizure.

(c) In violation of 18 U.S.C. § 1962(c) and (d), defendants First American, Beddow, Scoffone, Adams, Independence Bank, Shoaib, Dobrich, Ernst & Young, Ernst & Young/UK, Ernst & Young/US and Ernst & Young/Luxembourg, Price Waterhouse, Price Waterhouse/UK, Price Waterhouse/US and Price Waterhouse/Luxembourg, Clifford & Warnke, Clifford, Altman, Hill & Knowlton, Goland, the Abu Dhabi defendants, Lance, Paul, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafri, Bank of America, Pharaon (and his contolled alter ego entities), Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi and Akbar were employed by or associated with BCCI and/or the association-in-fact enterprise and directly or indirectly conducted and/or participated in the conduct of the affairs of the BCCI and/or association-in-fact enterprise.

(d) By reason of the conspiracy and each defendant's aiding and abetting pattern of racketeering activity detailed herein, each plaintiff and member of the class was thus defrauded into placing his, her, or its deposit into a criminal enterprise instead of into a legitimate bank and their deposits were thus placed into an ongoing "Ponzi scheme," whereby they were used to finance the continuing operations of the BCCI criminal enterprise and/or were misused or diverted for improper and illegal purposes, or were used for the benefit of BCCI

insiders and their co-conspirators named as defendants herein. Each plaintiff and each member of the class lost access to his, her, or its deposits in BCCI in July, 1991, when U.S. government officials and elsewhere uncovered BCCI's ongoing illegal activities of BCCI and its prior misrepresentations to U.S. regulators, including its illegal infiltration of the United States banking system, and seized BCCI, halting its ongoing operations including the honoring of any deposits. Instead of having almost $15 billion in assets as previously represented, BCCI has net assets to cover depositors' accounts of less than $1.5 billion, which amount will be further eroded as the result of the operations of BCCI's liquidation estate. Plaintiffs will not receive more than 25% of their deposits (assuming the controlling stockholder of BCCI contributes $2.3 billion to the liquidation estate, which it is not certain he will do), which amount plaintiffs will receive at an indefinite time in the future, thus having lost and suffered damages to their property or business amounting to at least 75% of their deposits, plus interest, since July, 1991. Had these defendants not aided and abetted in and/or conspired to advance the operations of the BCCI conspiracy, BCCI would have been seized years earlier and would not have been able to obtain and/or retain plaintiffs' deposits and thereby injure them in their business or property.

(e) Description of Causal Relationship Between Plaintiffs' Alleged Injury and the RICO Predicate Acts

The causal relationship between the specific RICO predicate acts participated in by the defendants indicated and plaintiffs' injuries is set forth below:

(f) Illegally obtaining and maintaining control for BCCI of NBG, First American, CenTrust and Independence Bank in the United States by lying to the FRB and other federal banking agencies in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). With respect to each illegal acquisition, these predicate acts occurred during the time periods indicated NBG (1975-1991); First American (1978-1991); CenTrust (1985-1991); and Independence Bank (1985-1991). Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon-controlled entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, al-Mazrui, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have

been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed

into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(g) Using its United States agency offices to finance illegal drug transactions committed by Pablo Escobar and Jorge Ochoa, leaders of the Medellin drug cartel, including transactions involving the illegal transportation of narcotics into the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity) and 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Noriega, Lamarche, van Oenen, al-Mazrui, Hartmann, Twitchin, Shafi and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets,

profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such as the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a

criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(h) Misusing for illegal purposes and/or stealing (*i.e.*, siphoning off) the BCCI Banks' deposits, including portions of the deposits of U.S. residents and citizens, portions of which had been obtained in the United States and diverted portions of which were, in part, used in this country to finance BCCI's illegal infiltration of the United States banking system, to pay off Clifford and Altman and to make payments to obstruct United States justice in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad,

Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Bank of America and Hill & Knowlton. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such as the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered

injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(i) Assisting Munther Ismael Bilbeisi (brother of a BCCI regional manager) through its Miami, Florida, operations to smuggle $35 million worth of coffee into the United States and sell it to U.S. buyers, in part through funds and false documents it made available, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1983-1985. Along with

BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or

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(j) Assisting now-deposed and arrested Panamanian dictator Noriega in looting that country's treasury and stealing its public monies by secretly transferring those funds out of Panama to Noriega's secret bank accounts located elsewhere, in part, via transfers through BCCI's U.S. agency offices and First American in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985-1989.

Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/ Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford, Altman, Scoffone, Beddow and Adams. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately

70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(k) Laundering the proceeds of illegal narcotics activities through its Miami, Florida, offices. Several BCCI operatives were convicted of these charges in United States District Court and BCCI pleaded guilty, paid a $15 million fine and was placed on probation for five years for violations of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in

Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1988. Along with BCCI, the defendants who directly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operation, or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a

"Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(l) Making illegal political contributions in the United States, in substantial part through CenTrust's PAC, its officers, top customers and certain of their associates, as well as Goland and Viking Savings, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred during 1985-1989. Along with BCCI, the defendants who directly or indirectly participated in

these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul and Goland. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered

injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(m) Assisting Arif Durrani, a Pakistani weapons dealer, to illegally sell and ship (*i.e.*, smuggle) arms to Iran, for which Durrani has been convicted in United States District Court and sentenced to 10 years imprisonment, via letters of credit and monetary transfers from BCCI's Los Angeles, California, office in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity). These predicate acts occurred during 1986. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi

Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the

defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(n) Undertaking to obtain and exercise political influence to hinder, halt, deflect or delay any investigation into their conduct in the United States or by U.S. law enforcement authorities and to prolong their conspiracy by hiring a phalanx of United States lobbyists and often paying them excessive fees, making huge and often illegal political contributions in the United States through, *inter alia*, CenTrust (as described above), Clifford and Altman, and having First American make large loans on generous terms to U.S. political figures through First American in violation of 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 1341 (Mail Fraud) and 18 U.S.C. § 1343 (Wire Fraud). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu

Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Hill & Knowlton, Paul, Independence Bank, Dobrich, Shoaib, Goland and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and

each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(o) Circulating by mail and wire within and into the United States BCCI's false and misleading financial statements, as well as other false statements made by BCCI and its co-conspirators, to the effect that BCCI was not operating illegally in the United States, was well capitalized, had sufficient liquidity, was well-managed and was working closely and cooperating with regulators, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises). These predicate acts occurred during 1985-1991. Along with

BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Independence Bank, Dobrich, Shoaib, Bank of America and Hill & Knowlton. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors'

funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(p) By engaging in fraudulent sales of securities in the United States and deceptive and dishonest acts in connection with CenTrust's "selling" $150 million in subordinated debentures in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1961(1)(D) (Fraud in Sale of Securities). These predicate acts occurred during 1988. Along with BCCI, the defendants who directly or

indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered

injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(q) By engaging in financial institution, bank, mail and wire fraud in the United States in helping to falsify CenTrust's apparent financial condition to avoid its regulatory seizure, keeping that bank operating for one or two more years and causing the United States government to spend hundreds of millions of dollars more to "bail out" that bank when it was finally seized, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1344 (Bank Fraud). These predicate acts occurred during 1986-1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen,

Twitchin, al-Mazrui, Hartmann and Paul. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to

continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(r) Covering up its illegal activities in the United States by making repeated false statements denying BCCI's actual control of First American, CenTrust, NBG and Independence Bank, by arranging for a plea bargain in connection with a money-laundering plea in federal district court in Florida that could bar any further criminal prosecution of BCCI by federal authorities, and by lying to federal investigators and grand juries, paying off employees not to "blow the whistle" and advising one or more witnesses (*i.e.*, Amjad Awan) to leave this country to avoid giving testimony to federal law enforcement or investigating agencies in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1503, *et seq.* (Obstruction of Justice), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These

predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it

did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(s) By helping its Los Angeles agency to funnel at least $3 million in illegal proceeds from an Orange County, California, telemarketing scheme out of the United States in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen

Monies). These predicate acts occurred during 1985. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon

subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(t) By illegally financing or attempting to finance the sale of French-manufactured military fighter aircraft owned by Argentina to third world countries, including Saddam Hussein's Iraq, from its Miami, Florida, office, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity). These predicate acts occurred during 1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed,

Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or

conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(u) By financing international terrorism, including financing and assisting the notorious ANO organization, financing the purchase, sale and delivery of illegal arms (including arms shipped to Saddam Hussein's Iraq) by Abu Nidal and some 10 others, including Samir Najmeddin, through some 42 accounts involving $50 million in BCCI's London Bank, all in violation of 18 U.S.C. § 1344 (Bank Fraud) and 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Lamarche, van Oenen, Twitchin and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI

criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of

the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(v) By assisting the former President of Peru, Alan Garcia, to steal millions from his nation's treasury and funneling the money to secret accounts via the BCCI Bank systems in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had

defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi

scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(w) By paying some $3 million in bribes to Peruvian bankers to obtain deposits from Peru's Central Bank in violation of 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1986-1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was

operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(x) By helping Munther Ismael Bilbeisi illegally sell Jordanian helicopters to Guatemala at inflated prices so

that he could pay kickbacks to relatives of the President of Guatemala and certain high military officials in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and

other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(y) Committing bank, financial institution, mail and wire fraud in the United States by illegally obtaining and maintaining control of four American banks, *i.e.*, First American, NBG, CenTrust and Independence Bank, through the use of secretly compensated nominees and

the filing of false statements and reports with the FRB and other regulatory authorities, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises) and 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Ernst & Young, Ernst & Young/US, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S.

regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(z) In 1988, purchasing (*i.e.*, "parking") some $35 million in junk bonds issued by CenTrust in the United States in order to artificially prop up its financial condition at a time when regulators were bearing down on it and threatening to close it. Those bonds were repurchased from the BCCI Banks and other straw parties by CenTrust at face value shortly after the regulators' inspection of CenTrust had been concluded. This transaction was undertaken in a deliberate effort to deceive American bank regulators and to help a fraudulently-operated savings and loan to stay open longer, which ultimately inflicted great damage on American taxpayers and constituted, *inter alia*, financial institution fraud, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud) and 18 U.S.C. § 1961(1)(D) (Fraud in Sale of Securities). These predicate acts occurred during 1988. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, Paul and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact

enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to

finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(aa) Causing First American to purchase Pharaon's interest in NBG (which was actually BCCI's interest) in 1985 at a grossly inflated and unfair price, thus funneling at least $220 million to the BCCI Banks, which monies were utilized by it to help cover up and perpetuate its ongoing fraud, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed

the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they

misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(ab) Paying bribes to top officials of the Peruvian Central Bank in order to induce them to cause the Government of Peru to place funds in the BCCI Banks and paying a $32 million bribe to the former manager of its investment activities in London in order to prevent him from exposing the ongoing fraud and criminal conduct ongoing at the BCCI Banks to a United States Senate Subcommittee, which payment was known to and approved by BCCI's then-auditors, Ernst & Young and/or Ernst & Young/UK, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1986-1987. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Ernst & Young, Ernst & Young/UK Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magnes, Romrell, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets,

profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a

criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(ac) Permitting the BCCI Banks' branches in Florida to engage in financing illegal narcotics transactions and to engage in money laundering transactions on behalf of drug dealers and then, when that activity was discovered by law enforcement officials, using its political influence to obstruct justice and obtain an improper plea bargain agreement which permitted it to pay a paltry $15 million fine, while securing an agreement from federal law enforcement officials which was grossly overbroad because it purported to commit the United States not ever to charge the BCCI Banks or their affiliates "with committing any other federal criminal offenses under investigation or known to the government at the time of the execution of this agreement or relating in any manner to the charges disposed of by the agreement," all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 201 (Bribery of Public Officials and Witnesses), 18 U.S.C. § 2314 (Transportation of Stolen Monies), 18 U.S.C. § 2315 (Sale

or Receipt of Stolen Monies), 18 U.S.C. § 1961(1)(A) (Dealing in Narcotic or Other Dangerous Drugs Punishable Under Laws of U.S.) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred in 1984-1989. The defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Noriega, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann, Shafi, First American, Clifford & Warnke, Clifford, Altman, Bank of America and Hill & Knowlton. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors'

funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(ad) Manufacturing false documentation to facilitate inflation of account turnover and concealment of outflows of funds involving over 6,500 accounts during a 15-year period, including activities to hide over $600 million in deposits by treating them as unrecorded deposits, thus grossly distorting the Banks' financial statements and making hundreds of millions of dollars of fictitious loans, which were nothing more than transfers

of money to BCCI insiders and those with whom those insiders had incestuous business and other relationships, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1976-1991. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Lamarche, al-Mazrui, Hartmann, van Oenen, Twitchin and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that

BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(ae) Acting as personal bankers for and engaging in illegal currency transactions and secret transfers of

monies on behalf of Noriega and helping Noriega to loot Panama's national treasury through a series of transactions by which they permitted and assisted those parties to appropriate government monies for their own personal use, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1956 (Laundering of Monetary Instruments), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies), 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies) and 18 U.S.C. § 1961(1)(E) (Acts Indictable Under Currency and Foreign Transactions Reporting Act). These predicate acts occurred during 1984-1989. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts along with BCCI were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Abedi, Naqvi, Iqbal, Awan, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, al-Mazrui, Hartmann and Shafi. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant

amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(af) Stealing depositors' monies, including portions of the deposits belonging to U.S. residents and citizens, by permitting BCCI insiders and their friends, relatives and business associates to obtain huge loans that would never be repaid and, in some instances, simply taking the money, all in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 1952 (Interstate and Foreign Travel or Transportation in Aid of Racketeering Enterprises), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1975-1991. Along with BCCI, the defendants who directly and indirectly participated in these predicate acts were Price Waterhouse, Price Waterhouse/US, Price Waterhouse/UK, Price Waterhouse/Luxembourg, Ernst & Young, Ernst & Young/US, Ernst & Young/UK, Ernst & Young/Luxembourg, Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, Awan, al-Mazrui, Hartmann, Rizzi, Akbar, Ahmad, Capcom, Magness, Romrell, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford & Warnke, Clifford, Altman, Scoffone, Beddow, Adams, Lance, Paul, Independence Bank, Dobrich, Shoaib, Goland, Bank of America and Hill & Knowlton. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only

by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was

thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.

(ag) Illegally accepting deposits in the United States from U.S. citizens and/or residents, in part with the help of Bank of America and First American, in violation of 18 U.S.C. § 1341 (Mail Fraud), 18 U.S.C. § 1343 (Wire Fraud), 18 U.S.C. § 1957 (Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity), 18 U.S.C. § 2314 (Transportation of Stolen Monies) and 18 U.S.C. § 2315 (Sale or Receipt of Stolen Monies). These predicate acts occurred during 1985-1990. Along with BCCI, the defendants who directly or indirectly participated in these predicate acts were Abu Dhabi, Abu Dhabi Investment/Finance, Sheikh Zayed, Pharaon, InterRedec Cos. (Pharaon entities), Sheikh Adham, Khalil, Jawhary, al-Fulaij, Abedi, Naqvi, Iqbal, al-Mazrui, Hartmann, Lamarche, van Oenen, Twitchin, Shafi, First American, Clifford, Altman, Scoffone, Beddow, Adams and Bank of America. These predicate acts caused plaintiffs' injury in the following manner: Each plaintiff and each member of the class was injured when the BCCI criminal enterprise and/or the association-in-fact enterprise obtained their money deposited in BCCI, which was made possible only by BCCI's false representations of its substantial assets, profitability, lawful operation and ability to honor depositors' claims and which would not have been possible had

defendants not assisted in the continued operation of the BCCI and/or association-in-fact enterprise or revealed the true state of affairs about BCCI's finances, operations or conduct of its business. BCCI depositors lost access to all of their deposits and lost access to a significant amount of those deposits forever when U.S. regulators determined that BCCI was operating illegally in this country by participating in RICO predicate acts, such the illegal activities set forth above, and persuaded banking regulators in the United Kingdom, Luxembourg and other locations to cooperate with U.S. regulators in seizing BCCI, taking control of its operations and freezing its depositors' funds. Because BCCI had been operating as a "Ponzi scheme" with grossly overstated assets, it did not have the monies required to cover depositors' claims, thus the BCCI depositors have lost approximately 70%-90% of the face amount of their deposits, plus interest accrued thereon subsequent to the date of seizure, and each has suffered injury in his, her, or its business or property. By participating in the predicate acts specified herein, the defendants helped the BCCI criminal enterprise to continue to operate and aided and abetted or conspired with the BCCI enterprise. BCCI would not have been able to continue its illegal operations and, thus, would not have been able to obtain plaintiffs' deposits when it did and plaintiffs' deposits would not have been lost by reason of the subsequent seizure of BCCI by United States and other regulators, had these and other predicate acts not occurred. Each plaintiff was thus defrauded into placing his, her, or its money into a criminal enterprise instead of into a legitimate bank. Their deposits were thus placed into an ongoing "Ponzi

scheme" and they were used to finance the ongoing operation of the BCCI criminal enterprise and/or were they misused or diverted for improper and illegal purposes or for the benefit of BCCI insiders and their co-conspirators named as defendants herein.